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REPORT
OF THE
GOPALARAO ENQUIRY COMMITTEE
1950

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GOPALA RAO ENQUIRY COMMITTEE

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PREFACE

THE Report is divided into 5 Parts. The First Part deals with the circumstances under which the Committee was constituted, and the Terms of Reference and a concise record of its work.

The Second Part relates to the life and struggle of B. N. Gopala Rao, his slow and imperceptible evolution from a humble clerk to a big Financier and the ways and means employed to swindle the public.

The Third Part relates to the part played by a few prominent individuals in "Gopala Rao's Business." This list could have been multiplied and the volume increased, but with a view to keep the Report within readable limits, the same is confined to only four typical individuals. Brief reference is however made to the part played by many other prominent persons in Part II.

The Fourth Part relates to the persons that actually invested and stood to suffer loss or gain. It is sub-divided into five classes: The figures arrived at and mentioned against each person is the result of a thorough and searching enquiry and can, having regard to the nature of the data available to the Committee, be taken as correct. Their accuracy was more or less accepted by the parties.

(1) Government Servants—in service and retired;
(2) Business people;
(3) Other class of people;
(4) Investors through Mr. J. B. Dominick;
and (5) Investors who neither appeared before the Committee nor rendered accounts.

The Fifth Part consists of some of the more important letters seized from B. N. Gopala Rao's house. They form interesting reading and throw considerable light on the methods adopted by B. N. Gopala Rao in the conduct of his business.

N. V. BABU REDDY,
Secretary,
Gopala Rao Enquiry Committee.

Dated 15th March 1950.

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FIRST PART

CONSTITUTION OF THE COMMITTEE

SRI B. N. GOPALA RAO
TAKEN ON THE OCCASION OF THE CONFERMENT OF THE
TITLE "*Dharmaratnakara*" IN JULY 1946,

REASONS AND CIRCUMSTANCES WHICH LED TO THE CONSTITUTION OF THE GOPALA RAO ENQUIRY COMMITTEE AND A CONCISE RECORD OF ITS WORK.

Quiet Permiation by Gopala Rao.—

The vast majority of the citizens of Bangalore had not been aware of the existence of Sri B. N. Gopala Rao in their midst prior to 1940. Few outside the rank of the needy clerks in the local Branch of the Imperial Bank in which he worked had heard of him or known him, much less had contacts with him. He had lived in obscurity, a life of penury. He had, as the head of a large and growing family, to struggle hard to keep the wolf from his doors and to make his both ends meet. After his resignation from the service of the Imperial Bank in 1940, however, his name came to be whispered about here and there as a novel financier who shared the profits of his business with those who deposited money with him for interest. The talk went round in the town that Sri Gopala Rao had, out of the largeness of his heart, deliberately decided to share the profits of his business with his poor depositors in order to relieve them of their sufferings, as he himself had realised by experience the bitterness of the sufferings arising from want and poverty.

Gopala Rao led, to all outward appearances, a very simple life and this, more than anything else engendered a feeling of veneration and respect towards him in the minds of the public. The story regarding his sympathy for the sufferings of the poor and his understanding of the difficulties of the underdog gathered momentum day by day, so much so, that by 1943, his name and fame became known to almost every one in Bangalore and to several beyond the borders of Mysore. Many who had heard the story about the novel business methods of Gopala Rao, were at first sceptical or critical but the sceptics and critics soon succumbed to become his victims—such was the efficacy of an insistent and persistent whispering campaign let loose to boost his business and goodness. People who went to scoff remained to pray and men and women from all walks of life rushed to him in a supplicant mood with requests to accept their deposits, with the result that, by July 1946, Gopala Rao had amongst his investors some of the most important personages in Mysore and even outside. His name and fame spread fast and wide. His work, position and popularity were appreciated and recognised by the award of the Title of Dharmaratnakara (Ocean of Charity). The name of Gopala Rao, at the time of his failure, had become a household word in Bangalore and his fellow citizens had come to look upon him as the "Mystery Man of Finance", a "Prince amongst Philanthropists" and a "Financial Wizard." The magnitude of his success and popularity can be gauged from the simple fact that he had gathered about 3·15 crores of rupees from his depositors by the end of November 1946.

The First Shock.—

On the morning of 12th December 1946, the sensational news that Sri B. N. Gopala Rao had failed in his business spread like wild fire over the whole of Bangalore. Frantic and hysterical crowds ran and surrounded his house in Seshadripuram. Many in the crowd raved and quite a few stood in silent tears. There were periodical outbursts and attempts at violence, so much so that Police aid had to be requisitioned to keep the crowd under control and guard the house of Sri B. N. Gopala Rao and afford him personal protection.

Scenes in and near the house of Sri Gopala Rao.—

The outer door of the house was locked from inside and the Police had to be on patrol to keep the surging crowd away from the gate and the compound. Large number of his creditors from beyond the borders of Bangalore and Mysore had rushed to the spot on reading about the Crash in the newspapers but had to return home disappointed without even seeing him. Sri Gopala Rao hid himself in a small room like a scared rat in its hole. He had realised a fortnight before the 12th December that he had failed but had steeled himself to keep up a bold exterior with a view to postpone the fateful day so as to minimise, and if possible, to tide over its ill effects. There are indications in the evidence to show that he must have planned to fail some time early in 1947, but events proved too strong for him to stick to the scheduled time. He spared no pains to postpone and avert the Crash in December 1946 but, as is very often the case with last minute efforts, did not succeed. He discovered that most of his trusted friends, admirers and supporters, whom he had benefited and on whom he had fondly hoped to rely in a crisis, had suddenly been transformed into disappointed and enraged creditors. His appeals to them for assistance to tide over the crisis proved futile and intensified the rush on his accounts in the Banks and hastened the Crash.

Post-mortem Extravaganza.—

Ignorance of facts often gives rise to and encourages the propagation of exaggerated and fantastic stories. Few people in Bangalore had known correctly or accurately the life history of Sri Gopala Rao before his Crash. His humble origin, the uninviting surroundings of his early life, his struggles and sufferings and more than all his mysterious emergence from a life of penury to the life of a financier *cum* philanthropist—all tended to provoke and intensify the curiosity of the public in the rise and fall of Sri Gopala Rao. The Freedom struggle in the State almost coincided with the Crash of Sri Gopala Rao and the apparent apathy or inactivity of the Authorities gave the episode a prominence which it might not otherwise have had. Exaggerated and distorted versions regarding his wealth, methods of business and the attitude and conduct of the Authorities got immediately into circulation. It was freely mentioned all over the country that all the high ranking officials including the then Dewan, the Chief Justice and the Private Secretary to His Highness were all interested or involved in the business of Gopala Rao and that the Government of the day had been pressed into service to rear up and foster a monstrous swindle. Whispers went round that even the members of the Royal Household had been dragged into the business of Gopala Rao and that money from the Palace Treasury had found its way into the hands of Gopala Rao and that even the Government had lost large sums of money belonging to the State Insurance Department.

The Reaction.—

People began openly to accuse the Government of the day and said that the administrative machinery of the State was being abused to sidetrack the issue with a view to cover up and give a quietus to the whole affair. It was mentioned that high officers of the Government including the Head of the Police had earned enormous amounts of money from the business of Gopala Rao and that in consequence a thorough and impartial enquiry was out of question. The talk went round that hundreds of poor and middle class families who had staked their all with Gopala Rao and got ruined as a result of his Crash would have to go without redress and that justice and fairplay were no longer to be had in the State of Mysore. The local gossip tended more and more day by day to make it appear that Gopala Rao had become a victim to the unscrupulousness of the officers of the Government, who had improperly enriched themselves through him.

Efforts to secure Redress.—

The daily newspapers and periodicals came out with blazing headlines, leading columns and news items to bring home the complaint that the public had been swindled and that no effective action was being taken. The 'Daily News' of the 13th December 1946 came out with a leading article under the caption "Is this possible ?" in the following manner :—

> "IS THIS POSSIBLE ? How is this possible ?' is the question which one asks the other in Bangalore to-day. The Gopala Rao Episode, the details of which we do not propose to unravel to-day has enveloped Bangalore like a big cloud. Cloud is too feeble a word to describe it. We cannot call it a cyclone, because it has come so silently. This silent portent has shaken every one from his equanimity. Air castles have toppled down with sweeping crash. We are told fond dreams of amassing lakhs and crores have rudely been shaken and converted into nightmares. Just imagine, it is not a few thousands, not a few lakhs, but a few crores !

> Some say five crores. Some do not estimate so far, but limit it to 3. Anyhow it is a big crash. We had heard of the South Sea Bubble and the Arbuthnot! And this is Gopala Rao. Slowly and steadily the business has been going on and their earnings and savings at the altar of the mystery, with no question or with no thought. All roads led to Gopala Rao's. It was so to say the Wall Street of Bangalore and the wall crashed on one fine morning and its noise reverberated in every household of Bangalore. People have been wondering and wondering and we dare say they will go on wondering until somebody unravels the mystery and unmasks the show that it was. It is a terrible tragedy to some who had deposited their all in this One-man Bank!
>
> Will the publicmen of Bangalore take the trouble of investigating the whole thing? Will our Government which is the guardian of our people's interests, step in and find out what it is with a view to preventing such disasters in future. In the past, many such crashes have happened. But people are yet slow to learn. It is the passion of hoarding, the greed of amassing that is responsible for this. May we hope the authorities will move in the matter?"

Other newspapers like 'Veerakesari', 'Vartha', 'Viswakarnataka', 'Janavani', 'Tainadu' came out with scathing criticisms against the Government. The agitation in the Press and on the Platform gave the incident a notoriety far beyond its importance. The matter was taken up in the Legislative Council by Sri Guruva Reddy who moved an adjournment motion on 14th December 1946 to the following effect:—

> "That the business of the Chamber do stand adjourned for the purpose of discussing a definite matter of urgent public importance, namely, the enormous losses caused to the innumerable middle class families as disclosed by alarming news in the Press that *Dharmaratnakara* B. N. Gopala Rao had received several crores of rupees from them on the plea of either banking or trading or otherwise investing of those funds in very lucrative ways and promising very temptingly high rates of interest, dividends or profits to those investors and that he had failed suddenly."

The Government spokesman Mr. M. Seshadri, now a Minister in the State of Hyderabad, opposed the grant of leave for the introduction of the motion before the Council on the ground that two criminal complaints had already been filed before the Police against Sri B. N. Gopala Rao and anything that may be said on the floor of the House would prejudice the investigations. He contended that a thorough and prolonged inquiry, which was obviously necessary, would be best secured if no discussions relating to the matter were allowed to be made on the floor of the House. One of the Members of the Council retorted that there were rumours all over the country that pressure was being applied from high Government quarters to have the complaint shelved and the complaint petitions withdrawn. The motion was ruled out by the President. The agitation however did not stop but grew in vigour and virulence. The attempt to secure redress through an adjournment motion in the Council and the manner in which that attempt had been foiled by the Government spokesman were taken up in the Press. Several members of the Legislative Council in the course of their speeches on a resolution relating to the "Nationalisation of Banking" emphasized on the sad incident of Gopala Rao. The talk went round all over that, though the public had been swindled to the tune of crores, redress was not likely as Gopala Rao had all along the assistance and support of high officers of the State for his business and that by procrastination the whole affair would, in course of time, be forgotten and get suppressed. It was alleged that complaints were being prevented or discouraged from coming forward and assist the Police and that the subordinate Police Officers had to work against odds on account of the attitude and fear of their superiors. The agitation grew in intensity and kept on simmering until the common man all over the State and even beyond was profoundly shocked at the apparent attitude of indifference of the authorities in taking immediate and effective action to unravel the mystery and afford redress to the afflicted.

Efforts of the Investigating Officers.—

Several creditors of Gopala Rao approached the then Inspector-General of Police, Sri G. Sundara Rao, with complaints of cheating against Gopala Rao immediately after the Crash became known; but that officer managed to put them off by plausible excuses and prevarications. The fact that he and his co-brother Sri Sarvothama Rao, the then Assistant Commissioner of Police, had both deposited moneys with Gopala Rao gave to his conduct and decisions a flavour and an odour which it might not otherwise have had. The creditors, who approached the then Superintendent of Police, Sri N. V. Babu Reddy, with similar complaints had a better reception. They were assured of immediate, effective and appropriate action. The investigation of the case necessitated the examination of all the persons who had deposited moneys with Gopala Rao and, in the nature of things, had to be prolonged and involved. It was however conducted and completed with commendable thoroughness, fairness and promptitude. The Police, after examining over 600 witnesses in different places, placed several charge-sheets before the City Magistrate for offences of cheating against Gopala Rao in April 1947. The Magistrate, however, did not commence the trial of Gopala Rao for any of these offences till June 1947. The Government thereupon, with a view to expedite the trials, appointed a Special Magistrate specifically for the hearing of the cases against Gopala Rao ; but in spite of that fact, the cases did not get transferred to his file till November 1947 ! It may be necessary to mention here that the trial of Gopala Rao was taken up only after his adjudication in the Insolvency Court and after (or at or about the time) the constitution of this Committee.

Attempts at Side tracking.—

Gopala Rao, after closing his doors, filed a complaint on 12th December 1946 against a few of his creditors alleging that they entered his house and carried away his jewels at dead of night at the point of the revolver. This complaint was also duly investigated by Sri N. V. Babu Reddy and a charge-sheet for offences under section 392, Indian Penal Code, was placed against the said creditors. The case against the creditors was promptly tried by the Special Magistrate specifically appointed for that purpose and ended in the acquittal of the accused. Immediately the talk went round that the case against Sri Gopala Rao, who had swindled and ruined thousands of families, was not given proper attention while the case filed by Gopala Rao against his creditors (victims) was given priority and preference, apparently because of his influence with the Government of the day. It was even suggested that the prosecution of the creditors was a deliberate attempt by an influential coterie of co-adjutors of Gopala Rao to divert the attention of the public from the misdeeds of Gopala Rao in order to create an impression in the public mind that Gopala Rao was being more sinned against than sinning. The cases against Gopala Rao filed in April 1947, as already pointed out, were posted for trial only in or about February 1948. This inordinate delay in the conduct of a criminal trial in spite of the appointment of a Special Magistrate for the purpose added to and increased the popular misgivings regarding the attitude of the authorities towards Gopala Rao and his business. The circumstance that the trial of Gopala Rao did not commence until his adjudication as an insolvent, was interpreted as yet another attempt of the authorities to help Gopala Rao in his defence. It was suggested that the adjudication of Gopala Rao against whom cases of cheating were pending before the criminal court was somewhat unusual and extraordinary as Insolvency Courts are intended to give protection only to those persons who suffer in business conducted according to law and have no application to those who commit crimes to obtain money. The rapidity with which the Insolvency proceedings were pushed through in the Insolvency Courts compared with the leisurely manner in which the criminal cases against Gopala Rao jogged along in the criminal courts added to the misgivings of the public regarding the attitude of the authorities against Gopala Rao. The failure or postponement of the examination in public of Sri Gopala Rao in the Insolvency proceedings gave further point to the misgivings. A definite conviction began to take shape that an influential section of high officers of the Government was interested in covering up the episode relating to Gopala Rao and to give it a quiet burial.

Vindication of Honest Public opinion.—

It was in this state of affairs that the freedom struggle in the State came to a successful end and the Popular Government took charge of the reins of Administration. Immediately a member of the Representative Assembly, Sri B. N. Gupta, moved a resolution in the first meeting of the Representative Assembly in December 1947 to the following effect :—

> " This Assembly recommends to the Government of His Highness the Maharaja that a Committee be set up—

> (1) to determine the extent of investment made by Government Officers, businessmen and other private individuals with Mr. B. N. Gopala Rao ;
> (2) to investigate the extent of earnings made by such investors ;
> (3) to examine the extent to which such investors have evaded payment of income-tax on such income ; and
> (4) to review the action, if any taken by Government to investigate the complaint made from time to time by members of the general public regarding his banking operations".

The President of the Assembly, *Diwan Bahadur* Sir A. Ramaswami Mudaliar, while calling upon the member to move his resolution for the acceptance of the House, made the following observations on behalf of the Government :—

> " The matter itself is *sub judice*. Some of the matters will have to be carefully dealt with. The Government are prepared to accept the resolution and therefore I suggest the desirability of formally moving and seconding it so that time may be saved ".

The reversal of the attitude of the Government to the demand at a time when, unlike the former occasion, cases were actually pending in court, was not lost sight of by the Representatives of the people. The suggestion of the Dewan-President was accepted. The resolution was duly moved, seconded and passed without any opposition or division. The Government thereafter constituted the Committee called "Sri B. N. Gopala Rao Enquiry Committee" by means of Notification No. 6055—C.B. 239-47-1, dated 25th February 1948 with—

(1) *Rao Bahadur* Justice P. Medapa, B.A., B.L., Judge of the High Court of Mysore (*Chairman*).
(2) Sri S. Nijalingappa, B.A., B.L., President, Karnatak Provincial Congress Committee, Member, Mysore Congress Working Committee, Member, Constituent Assembly of India, Member, All-India Congress Parliamentary Committee.
(3) Sri T. Subramanya, B.A., B.L., President, Constituent Assembly of Mysore, Member, Mysore Congress Working Committee.
(4) Sri N. V. Babu Reddy, B.A., Deputy Inspector-General of Police, Bangalore District (Urban) (*Secretary*).

The terms of reference to the Committee were set out as follows :—

(1) to investigate the circumstances in which and the method whereby Gopala Rao was able to carry on his financial transactions and other relevant matters which made such transactions possible ;

(2) to determine the extent of investments made by the Government officers, businessmen and other private individuals with Gopala Rao and how these investments were utilized ;

(3) to investigate the extent of loss or gain made by such investors through such investments ;

(4) to examine whether and to what extent any of them or Gopala Rao had evaded payment of income-tax on income earned through or by such investments ;

(5) to find out the law or laws that may have been violated by any person in connection with these transactions; and

(6) to make recommendations regarding such action on the part of the Government as the Committee may consider desirable and necessary in the interest of the public.

Powers conferred on the Committee.—

The Committee was empowered to compel the attendance of witnesses and production of documents, to take evidence on oath and to take cognizance of and deal with contempts against it. It was required to hold its sittings *in camera* due to a feeling that it will not be proper or desirable in the interest of the Administration or helpful to the work of the Committee to throw open to the public, at that stage, the details relating to the private transactions of individuals who had deposited moneys at unconscionable rates of interest with Gopala Rao and thereby expose them to ridicule. The power to take cognizance for contempt was thought necessary because from the facts already known it was apprehended that those who organized or had a hand in the conduct of the business were likely to misbehave before the Committee and try to bring the work of the Committee and its Members to ridicule in order to choke up its efforts. The powers of the Committee were regulated by the Enquiry Committee's Special Provisions (Emergency) Act XXII of 1948, (Act XXV of 1948) and subsequent amendments.

COMMENCEMENT OF WORK AND APPREHENSIONS OF WITNESSES.

The Committee, after holding preliminary meetings, commenced the examination of important witnesses in April 1948. These witnesses had deluded themselves into a belief that their dealings with Gopala Rao could not be traced or unravelled as they had been transacted through the medium of post-dated, ante-dated or undated, bearer self-cheques and pronotes. The witnesses who, like Gopala Rao, had deliberately refrained from keeping accounts relating to their transactions with Gopala Rao, felt that the Committee will not be able to secure any data on which it could proceed to work. They were aware that the vast majority of the cheques issued by the depositors of Gopala Rao and *vice versa* were not made available to the Police by the Banks and that the Police who were then quite unaware of the part played by some of the bank clerks and officials had accepted the bluff that those cheques had either been destroyed or lost and could not in any case be traced. These witnesses were therefore taken completely by surprise and felt utterly baffled when they found that their accounts with Gopala Rao and *vice versa* had been constructed from the entries culled out from the books of the different Banks by the staff of the Committee. They saw with a shock all the cheques they had issued to and received from Gopala Rao piled up before them. They realised that their attempts to foil the work of the Committee by avoiding answers to questions on the plea that they kept no accounts and that on account of the efflux of time they were not able to remember the transactions with Gopala Rao conducted wholly on the basis of mutual trust did not and could not avail them. They realised that the Committee had discovered the false declarations regarding their income to the Income-tax authorities and were apprehensive of action being taken against them under Section 181, Indian Penal Code. They also feared the levy of penal assessment to income-tax and felt ashamed of the exorbitant rate of interest they had squeezed out from Gopala Rao. The witnesses who knew the culpable nature of the business conducted by Gopala Rao became apprehensive of the possible consequences of their actions in violating the law of the land. They realised that if the Committee were allowed to pursue its work in the thorough manner in which it had begun they would have necessarily to go through a very severe ordeal. They decided that under the circumstances their only chance of escape was to have the Committee dissolved by hook or crook, or at least have its powers and effectiveness whittled down or curtailed and with that end in view they opened out their purse strings to let loose on the members of the Committee and its Secretary vile and virulent campaign of abuse and vilification.

CRITICISMS OF THE POWERS CONFERRED ON THE COMMITTEE.

It was at this juncture that the 'Daily News' and the 'Tai Nadu', which had been in the forefront in the agitation to have the causes of Gopalo Rao's Crash enquired into by the public, threw open their columns and editorials to sponsor an agitation against the powers conferred on the Committee by the Government. The 'Daily News' in an editorial under the caption "LIBERTY OF A SUBJECT" wrote as follows:—

> " The Chief Justice of Mysore should get the new 'Enquiry Committee's Special Provisions Emergency Act, 1948, examined in all its legal implication and assess how far power of the Supreme Court in the land is taken away. We are unable to say whether the Government before promulgating this Ordinance consulted the Law Lord of the land. In passing any new law or a statute existing powers of the courts should not be taken away or parallel courts set up in view of some emergency. The sanctity of the High Court is precious and under no circumstances should it be violated to serve some urgent object. In the matter of ordinances encroachment on the sanctity of courts should never be allowed.
>
> We have carefully read the various provisions of the new ordinance and we are afraid Section 7 takes away much from the existing courts. When the public have sufficient protection from the existing courts, why should a new committee be set up enjoying the purview of judicial proceedings within the meaning of sections 192, 193 and 228. "

The same ideas were reproduced by the 'Tai Nadu.' The invitation extended to the Chief Justice (Sri Venkataramana Rao Naidu) was promptly accepted by that dignitary in office and in his presidential address to the resurrected Conference of Judicial Gfficers of the State, on 22nd May 1948, he delivered a fulsome castigation of the Government on the powers given to the Committee and taken by it. The Chief Justice observed :—

> " In this connection, I have to advert to Act XXV of 1948 recently enacted by the Government to amend the Enquiry Committee's Special Provisions (Emergency) Act XXII of 1948. Under Act XXII of 1948, a Committee of Enquiry has been appointed to enquire into certain matters connected with the financial transactions of one Sri B. N. Gopala Rao presided over by a Judge of the High court, one of my honoured colleagues. The enactments which I have referred to was intended to give certain powers to that Committee. Sub-section (4) of Section 7 substituted for Section 7 of Act XXII of 1948 by Section 3 of Act XXV of 1948 runs thus :—
>
>> ' The Committee shall be deemed to be a Court of Justice and every proceeding before it a judicial proceeding for the purpose of Chapter XI of the Indian Penal Code............ '
>
> Sections 8, 9 and 10 inserted by this Act so far as it is relevant for our purpose are as follows : —
>
>> '8 (1) Where in respect of any proceeding before the Committee any person does any act, which if committed with reference to a public servant or a Court of Justice or a judicial proceeding would be an offence under any provision of Chapter X or Chapter XI of the Indian Penal Code, the Committee may itself proceed to try such person for such offence and may impose the punishment provided for such offence in the said provisions of the Indian Penal Code.
>>
>> * * * *
>>
>> (6) Any person who is convicted and sentenced by the Committee for any offence referred to sub-section (1) may within thirty days from the date of his conviction apply to the Government for examining the correctness, legality or propriety of such sentence and the Government may thereupon reverse the sentence and acquit or discharge the accused or confirm the sentence or modify the sentence provided that the Government shall not be entitled to enhance such sentence.
>>
>> * * * *
>>
>> 9. The Committee shall be deemed to be a Court for the, purposes of the Contempt of Courts Act, 1940 and notwithstanding anything in the said Act, the Committee shall have the power to punish any person who commits contempt of Court in respect of the Committee as if the Committee were the High Court.
>>
>> * * * *
>>
>> 10 (1) If any person fails to produce any documents or object in compliance with an order, made under section (2) of Section 7, he shall be punishable with imprisonment for a term which may extend to one year or with fine or with both.
>>
>> (2) Is the person who fails to produce any document or object in compliance with an order made under sub-section (2) of Section 7 is a company or other body corporate, every director, manager, secretary or other officer thereof shall unless he proves that the failure took place without his knowledge or that he exercised all due diligence to prevent such failure be punishable under sub-section (1). '
>
> It shocks my legal sense to contemplate that the decisions of a body which is given the status of a Court of Justice presided over by a High Court Judge should be subject to review by the Executive. Whether the authors of this enactment really contemplated it or not there can be no doubt that this is a serious encroachment on the judicial power and that of the highest Court in the land. It seems to me that it would lead to an impression on the public mind that there is a connection between the Executive and the Court of Justice, which as Lord Halisham pointed out should be avoided. When I read these two enactments, I was reminded of a passage in " Liberty in the Modern State " by Harold J. Laski :—
>
>> ' Decisions, for instance, like that on the Ju Toy case in the United States and in Arlidge V. Local Government Board in England, are clearly a real menace to the liberty of the subject. They suggest a type of executive justice for which the methods of the Star Chamber are the nearest analogy.'
>
> When once a Tribunal is constituted as a Court of Justice, the only authority that should interfere with its decisions and correct them is the Supreme Court of the land, *i.e.*, in this State the High Court of Mysore and any attempt to oust its jurisdiction must be held to be a serious inroad into its powers. In this connection, I cannot but refer to the weighty and pertinent observations made recently by Sri H. Kania, Chief Justice of India, in opening the High Court of Assam :—
>
>> ' It was the function of the Judiciary to determine whether the actions of the Executive were within the limits prescribed by law and it was for this reason that the judicial system of the State was considered very important, because on its decision rested the security and liberty of a citizen. This aspect of the function of the Judiciary acquired great importance at the present stage in the evolution of India and the development of the Provinces...... After the Indian Independence Act came into operation, the whole aspect of the

> Government had changed. The majority in the Legislature had practically no opposition...... In view of the fact, however, that the opposition at present was in negligible position, the Judiciary became all the more important. The only forum which could give redress against irregular actions of the Executive was the Court. The powers of the High Court were the most powerful weapons which a citizen would claim for redress against the irregular and very damaging action of the Executive. Having regard to all these circumstances, it was clear the Judiciary must be independent and free from the control of the Executive.'

> I do not propose to go into the legality of the said enactments as it is not my province now to do so. I have adverted to them as they constitute a serious menace to the liberty of the subject, who is placed at the mercy of the Executive. That such an enactment could have been passed in the enlightened State of Mysore passes my comprehension. One of the Lord Chancellors of England referring to the delegated legislation and the consequent encroachment on the judicial power observed :

> > 'In the administration of justice, Judges were assisted by two necessary and powerful allies—the Bar and the Press. So long as we continue, please God, to have a fearless judiciary, a vigilant bar and a pure and responsible press, so long would justice be administered properly and to the general satisfaction.'

> I claim that we have in Mysore a fearless Judiciary but that is not enough. The function of the Judges is only to enforce the law as it stands however mischievous it be and I may be pardoned for saying that there is neither a vigilant bar nor a watchful press in the State. To this day I have not heard of the bar protesting against it. I am however glad to say that the learned Editor of the 'Daily News' in two well-written articles has focussed the attention of the public and has warned them of the danger that is hovering over their heads, for which the public must be grateful."

The encomiums so lavishly showered by the learned Chief Justice on the 'Daily News' were fully and immediately reciprocated by that paper. The opinions of the Chief Justice were applauded and echoed in the editorials and leading columns of the "Daily News" and the "Tai Nadu". The "Daily News" in its editorial, dated 24th May 1948 stated as follows :—

> "JUDICIARY IN MYSORE—The recent Conference of Judicial Officers in Mysore affords a splendid opportunity to stock of necessary reforms to be put through in order to make the judiciary completely independent of the executive. In fact the Chief Justice has offered many palliatives and in advancing his arguments he has taken a very strong line to denounce certain ill features of the executive encroaching on the judicial functions. We are sure the popular Government in Mysore will have the courage of conviction to scrap the Enquiry Committee's Ordinance which has come in for good deal of criticism. As we have pointed out earlier such enactments will not bring credit to the State inasmuch as it curtails the legal right of a citizen to obtain redress in the supreme court of the land. When there is a High Court above all others why should a temporary Committee arrogate itself by sitting as a court punishment. This is going too far in ordinance-making and we want the Government to scrap all such ill features. The learned Chief Justice has given his verdict and we want Messrs. K. C. Reddy and Company to act up to it."

Firm stand by the Government.—

It will be useful and necessary to pause here to state what has already been referred to in the earlier part of this Report that an earlier agitation on the platform and the Press including the very same "Daily News" and "Tainadu" had roused the public to a feeling of indignation against the Government on account of alleged attempts by an influential coterie of persons including those in high positions in Government service to give the Gopala Rao Episode a quiet burial. There had earlier been attempts by some in power, to run with the hare and hunt with the hound. This conduct became apparent in the conduct of the prosecution of Gopala Rao in the criminal courts and his adjudication and subsequent proceedings in the Insolvency Court. The implications of the procrastination in the criminal court and the rapidity of the insolvency proceedings had not been missed by the discerning public. The popular Government which had constituted the Committee in response to the State-wide agitation, were fully aware of the misgivings as also the reasons for the misgivings in the mind of the public. They had appointed this Committee, even when criminal and civil proceedings were pending against Gopala Rao in Courts with the sole object of clearing all misgivings and to give effective relief to the afflicted people. They were quite aware of the attempt that had been made before they came into power, to deflect the interest of the public from the affair in order to shelve it. They were quite determined to meet all difficulties that may be sprung on them to nullify the efforts made by them through the Committee. The reply to the criticisms of the Chief Justice was given by the Government in the following Press Communique :—

> "It has come to the notice of Government that the Chief Justice of the High Court of Mysore, *Rajadharmapravina Diwan Bahadur* P. Venkataramana Rao Naidu, in the course of his Presidential address at the Mysore Judicial Officers' Conference, held on the 22nd May 1948 at Bangalore, has made certain remarks in respect of Acts XXII and XXV of 1948 conferring certain special powers on the Enquiry Committee appointed to enquire into the matters connected with the financial transactions of one Sri B. N. Gopala Rao.
>
> After stressing the importance of 'the open administration of justice' by quoting some passages from the speech of Lord Shaw of Dumferline in the leading case of Scott *Vs.* Scott, the learned Chief Justice takes objection to the hearing *in camera* prescribed for the Enquiry Committee, and regards the two enactments as 'constituting a serious menace to the liberty of the subject who is placed at the mercy of the Executive'. He observes further that it shocks his legal sense to contemplate that the decisions of a body which is given the status of a Court of Justice presided over by a High Court Judge should be subject to review by the Executive, and that the enactments are a serious encroachment on the judicial power in the State.
>
> Government are constrained to observe that apart from the impropriety of the learned Chief Justice indulging in a criticism of the two enactments, which have the force of law, on an occasion when no such criticism was called for, and the embarrassing position in which the learned Chief Justice, who still continues in office, may find himself should he possibly be called upon to adjudicate the very matters on which he has already thus committed himself, there is absolutely no justification for any of the remarks by him or the apprehensions expressed by him.
>
> To appreciate correctly the nature of the Acts in question, the circumstances which led to their enactment are very material. There was a grave public scandal in connection with the financial transactions of one Sri B. N. Gopala Rao, which finally led to a financial crash unprecedented in the State for its magnitude, causing the ruin of a large number of families. Frantic and moving appeals were made to Government both in the legislature and outside to cause an enquiry to be conducted into the matter. A Committee was accordingly appointed by Government and in view of the special circumstances of the case and the many interests involved, it was directed to hold its proceedings *in camera* with a view to avoiding unnecessary publicity and bitterness of feeling which such publicity might arose in respect of those who, after all, might not deserve to be drawn into the picture. The Committee is charged with the duty of enquiring into and reporting upon facts and is not empowered to go into the question of the guilt or otherwise of any person. As the mere constitution of the Committee would serve no purpose unless it was invested with the powers necessary for enforcing the attendance of witnesses, production of documents and the like and to elicit information within the knowledge of those appearing before the Committee, it has been invested with the functions of a Court to the extent of enabling it to make a speedy and thorough enquiry into the matter. It is a special tribunal for collecting such data as may be available and has been invested with the necessary powers to collect them. The fact that a Judge of the High Court has been appointed as the Chairman of the Committee should be sufficient guarantee that the Committee will act in a fair and impartial manner. It is provided also that if any person feels aggrieved by any conviction or sentence imposed on him, in respect of any contempt of court or other offence, if any, committed by him in connection with the proceedings before the Committee he may appeal to Government against the order of such conviction. This is intended as a further safeguard against any possible miscarriage of justice without impairing the *in camera* nature of the proceedings.
>
> *In camera* proceedings for the collection of facts can in no sense be regarded as constituting a menace to the liberty of the subject. Government are as keenly alive as the learned Chief Justice to the necessity of maintaining inviolate the principle of 'open administration of justice', but as has been well recognised in the leading case of Scot *Vs.* Scot quoted by the Chief Justice himself, this principle is subject to certain exceptions. As observed by Lord Haldane in his address in that case: 'As the paramount object must always be to do justice the general rule as to publicity, after all being only the means to an end, must yield.' Another Law Lord, Earl Loreburn enumerates the principles that 'the Court may be closed or cleared if such a precaution is necessary for the administration of Justice.' Exceptional circumstances like those in question may demand such an enquiry.
>
> Government have, after a full consideration of all aspects of the question, constituted the Committee under an enactment which is within their competence. The constitution of such a Committee can by no means be regarded as an encroachment on the powers of the Judiciary. It may be recalled that in 1943 Federal Court Reports 1 (Privy Council) King Emperor *Vs.* Benoari Lal Sharma and others the Privy Council have held that the executive under suitable circumstances can not only constitute special tribunals but can also deprive the appellate and revisional jurisdiction of the High Court over them.

> Government desire to make it clear that no encroachment on the Judiciary by the Executive has been attempted or intended, and that the observations of the learned Chief Justice are, to say the least, unwarranted.
>
> The charges of the Executive encroaching on the sphere of the Judiciary in a country, which has just attained a system of responsible government during the initial stages of such government, is by no means a new one and the Chief Justice in alleging 'encroachments and oppressions' is doing nothing more than repeating what has been said already elsewhere. As Sir William Harrison Moor describes it—'In the early days of responsible government in Australia, there were some sharp conflicts between the popular chamber or the parliamentary executive and the courts, and even between parliaments and the courts, in which it must be owned that it was not always the judges who carried away the honours of war. There was a disposition on the part of some judges, as there has been on the part of the military authorities to regard themselves as standing outside the system of responsible government, and as entitled in official relations to communicate with the governor without the intervention of a minister. There was in South Australia what Sir Roundell Palmer and Sir Robert Collier described as 'an unfortunate disposition manifested upon the Bench to favour technical objections against the validity of Acts of the Colonial Legislature.'
>
> As regards the appeal of the learned Chief Justice to the Press, the Press has generally refused to take him for its guide. The independence of the Judiciary is a precious heritage and has undoubtedly to be maintained. But the learned Chief Justice has forgotten that it imposes a corresponding obligation on a Judge to maintain judicial restraint and not to play the role of the politician, however disguised that role may be."

Slander, Intimidation and Blackmail.—

The agitation against the work of the Committee, however, did not stop. The persons who were responsible for or had taken an interest in the conduct of the business of Gopala Rao and their supporters or hirelings started circulating baseless, false and vile stories of ill-treatment and maltreatment alleged to have been meted out to the witnesses who had appeared before the Committee. Attempts were made to deflect the Members of the Committee from doing their duty by means of anonymous threats to their life and honour and the life and honour of the members of their family. These attempts having failed to produce results, a campaign against the Committee was started in the Press through the columns of two Dailies referred to earlier. Egged on and encouraged by the observations of the learned Chief Justice regarding the alleged indifference of the Bar to the provisions of the ordinances governing the work of the Committee, an article under the signature of Sri L. S. Raju appeared in the "Daily News" dated 19th June 1948. This was followed by a news item regarding a complaint about the work of the Committee by a witness to the Chief Minister :—

> "Mr. L. S. Raju's call for public proceedings.
>
> Mr. L. S. Raju, Advocate and President, Civil Liberties Union, Bangalore, writes as follows :—
>
> If the Gopala Rao Enquiry Committee is to serve any useful purpose, I venture to state that the proceedings should be public and the parties who appear before the Committee should have legal assistance.
>
> I therefore even now appeal to the Government of Mysore to get the Emergency Act repealed and adopt the above procedure ; or let there be a public trial as in the Arbuthnot Case.
>
> The present Committee, according to the Government Press Note, is a recommendatory one. It is a *fact finding* Committee and not a *fault finding* Committee. As the Government opine the fact that a High Court Judge is the Chairman (Sri Justice P. Medapa, with his vast experience and whom I know very well, happens to occupy that place) must be a guarantee for impartiality, judicial calmness and fairness and an assurance that the witnesses who are all Court witnesses and subjects of His Highness the Maharaja of Mysore would be protected from harassment, discourtesy or use of indecorous language. I would fain not believe reports current.
>
> Nothing should be done by anybody either directly or indirectly to give an impression that the only person who is happy now is the author of the Crash and the unhappy persons are the victims of the Crash.
>
> The real need of the hour is to cleverly trace and get at the assets and thereby render the maximum benefits to the ruined families and investors. There should be no mincing in this respect."

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The Article and the news item were faithfully translated and reproduced in the issue of the 'Tainadu.' The publication of the Article and the news item was followed up by editorials in the two newspapers. The 'Daily News' of 21st June 1948 under the caption "A LETTER TO THE CHIEF MINISTER" wrote as follows :—

> "We have before us a letter preferred as a complaint to the Chief Minister concerning certain features of the *in camera* enquiry that is being conducted now. As Mr. L. S. Raju has pointed out, it is a fact-finding Committee and not a fault-finding Committee. We have not understood even now why this case should be heard in all secrecy. The Viduraswatha Shooting Enquiry Committee was conducted in public and so many faults and irregularities of the Government were openly narrated before that tribunal. Nobody claimed protection of secrecy when Sir Vepa Ramesam conducted the enquiry. It is strange indeed that a popular Government should have occasioned the need for such a Committee with extraordinary punishment powers overriding the powers of even the High Court.
>
> Even now we feel that there is no need to sit in secrecy over the financial crash. The witnesses who are summoned before the tribunal will feel it secure to depose before the public than in a closed room where there is no provision even for legal aid. Supposing in the course of examination of a witness some knotty point arises concerning the Evidence Act. The witness cannot argue himself. In such cases Lawyers should be there to protect the witness who is under summons. One day or the other the whole thing must be made public and we see no reason why the deliberations of the Committee should be clothed in all secrecy.
>
> In fact we request the Chief Minister to peruse the letter of Dr. Da Costa and give him all the succour necessary. We want the head of the administration to go deep into it and find out for himself whether such things can be allowed. All these ugly incidents will not be there if the Enquiry is conducted openly. That is what everyone wants. The popular Government must respect public wishes in the matter. We shall be happy indeed if the Enquiry Committee's Ordinance is scrapped and the whole aspect of the financial crash is left to the courts concerned. It will conform to the highest judicial standards if the cases filed in the criminal court are allowed to finish without any impediment. The accused there will have a fair trial if the subject matter is not enquired into by another tribunal. The Chief Minister is a lawyer himself and he must be averse to give powers of a High Court to an Enquiry Tribunal. This has been condemned by the erstwhile Chief Justice and we hope the Government will abide by what he said."

Two days later, the 'Daily News' published yet another letter under the signature of Sri L. S. Raju under the blazing head-line "STAR CHAMBER METHODS" to the following effect :—

> "Sir, Let me congratulate you on your Leader in your issue of the 21st instant. I trust you will reproduce the same in the 'Tainadu'. I have had also the occasion and advantage of perusing Dr. Da Costa's letter to the Chief Minister.
>
> Both as a Lawyer and as President of the Civil Liberties Union, it shocked my legal sense to go through its contents. Dr. C. F. Da Costa, I understand, has been bed-ridden after what transpired at the Enquiry Committee.
>
> The provisions of the Emergency Act giving extraordinary powers to the Committee recall to one's mind Star Chamber Methods of the past. Apart from other inequities already referred to, it is indeed amazing that this Committee should be the Prosecutor, the Complainant and the Judge in cases where they want to take action against any witness, and there is no appeal to the High Court. These provisions are clearly *ultra vires*, extraordinary and shocking to any legal mind! Pending immediate modification in the procedure now adopted, I do earnestly and most sincerely appeal to the Chairman and his honourable colleagues to maintain a strictly judicial and calm atmosphere, so that no witness may feel hurt in any manner whatsoever.
>
> Even an alleged murderer when he is arraigned as an accused is entitled in law to all protection and he cannot be subject to any insult or intimidation.
>
> I would on this occasion recall to the Chairman of the Committee the exemplary and creditable manner in which he, as a Judge, went into the matters connected with the liquidation proceedings of the Bangalore Bank, Ltd.
>
> If witnesses are permitted to have legal assistance (and there is no prohibition for it in the Act or anywhere else; on the other hand there is precedent for it) I assure the Chairman and his colleagues that I will endeavour my best to see that the fullest and most valuable information are given to the Committee and every co-operation rendered in their arduous and responsible task".

This Article was faithfully translated and reproduced in the 'Tai Nadu.' A whispering campaign, which had been the hall-mark and the main prop of the sponsors and supporters of the business of Gopala Rao, was let loose on the Members of the Committee and its work with the result that witnesses got scared to appear before the Committee and when brought were unwilling to answer questions put to them.

EFFORTS OF THE COMMITTEE TO CHECKMATE SLANDER AND BLACKMAIL.

The Committee felt that its work would be completely frustrated if the baseless slanders systematically circulated against the Committee and its work were allowed to continue unchecked. The Committee was helpless against the organized tirades of this clique, as its Members were bound, on pain of penalty, to conduct its sittings and examine witnesses *in camera.* The Members could not issue statements to the Press or address Public Meetings to dispel or counteract the false propaganda ceaselessly carried on against them. They were therefore compelled by force of circumstances to take cognizance of the contempt committed against the Committee and issued notices to the Editors of the two Newspapers and Sri L. S. Raju. The Contempt proceedings were conducted in public after affording the persons proceeded against full opportunity to secure legal assistance. The matter was heard at length and the following Judgment was pronounced on 14th July 1948 :—

" IN THE COURT OF THE GOPALA RAO ENQUIRY COMMITTEE.

Dated the 14th day of July 1948.

Contempt of Courts Case No. 1 of 1947-48.

Government ... . *v.* Sri L. S. Raju.
(By the Gopala Rao
Enquiry Committee.)

JUDGMENT.

Summons was issued to the Opponent to appear before us to answer a charge framed against him under section 3 of the Contempt of Courts Act for certain statements issued by him to the Press while the proceedings of the Committee were in progress. It will be necessary and useful for a proper consideration of the arguments addressed to us both for and against the Opponent, to set out the charge in full. The charge reads—

' That he by his said statements, which read—

If the Gopala Rao Enquiry Committee is to serve any useful purpose, I venture to state that the proceedings should be public and the parties who appear before the Committee should have legal assistance.

I therefore even now appeal to the Government of Mysore to get the Emergency Act repealed and adopt the above procedure ; or let there be a public trial as in the Arbuthnot Case.

The present Committee, according to the Government Press Note, is a recommendatory one. It is a fact-finding Committee and *not a fault-finding Committee.* As the Government opine the fact that the High Court Judge is the Chairman (Sri Justice P. Medapa, with his vast experience and whom I know very well, happens to occupy that place) must be a guarantee for impartiality, judicial calmness and fairness and an assurance that the witnesses who are all Court witnesses and subjects of His Highness the Maharaja of Mysore would be protected from harassment, discourtesy or use of indecorous language. *I would fain not believe reports current.*

Nothing should be done by anybody either directly or indirectly to give an impression that the only person who is happy now is the author of the Crash and the unhappy persons are the victims of the Crash.

The real need of the hour is to cleverly trace and get at the assets and thereby render the maximum benefits to the ruined families and investors. There should be no mincing in this respect ('Daily News' dated 19th June 1948).

Letter to the Editor—*Star Chamber Methods !—Sir, Let me congratulate you on your leader in your issue of the 21st instant. I trust you will reproduce the same in the* ' Tainadu '. *I have had also the occasion and advantage of perusing Dr. Da Costa's letter to the Chief Minister.*

Both as a Lawyer and as President of the Civil Liberties Union, it shocked my legal sense to go through its contents. Dr. Da Costa, I understand, has been bed-ridden after what transpired at the Enquiry Committee.

> *The provisions of the Emergency Act giving extraordinary powers to the Committee recall to one's mind Star Chamber methods of the past. Apart from other inequities already referred to, it is indeed amazing that this Committee should be the Prosecutor, the Complainant and the Judge in cases where they want to take action against any witness, and there is no appeal to the High Court.* These provisions are clearly *ultra vires*, 'extraordinary and shocking to any legal mind ! *Pending immediate modification in the procedure now adopted, I do earnestly and most sincerely appeal to the Chairman and his honourable colleagues to maintain a strictly judicial and calm atmosphere, so that no witness may feel hurt in any manner whatsoever.*
>
> Even an alleged murderer when he is arraigned as an accused is entitled in law to all protection and he cannot be subject to any insult or intimidation.
>
> *I would on this occasion recall to the Chairman of the Committee the exemplary and creditable manner in which he as a Judge went into the matters connected with the liquidation proceedings of the Bangalore Bank, Ltd.*
>
> If witnesses are permitted to have legal assistance (and there is no prohibition for it in the Act or anywhere else ; on the other hand there is precedent for it). I assure the Chairman and his colleagues that I will endeavour my best to see that the fullest and most valuable information are given to the Committee and every co-operation rendered in their arduous and responsible task.—L. S. Raju, President, Civil Liberties Union, Bangalore, dated 22nd June 1948 (*Daily News*, dated 23rd June 1948).

and particularly the portions italicised read with the context, sought to interfere or attempted to interfere with the proceedings of the Committee and sought to bring or attempted to bring the Committee and its labours to contempt and sought to lower or attempted to lower the authority of the Committee and that he thereby committed the offence of Contempt of Court punishable under Section 3 of the Contempt of Courts Act '.

2. The Opponent filed his written statement embodying in it what he termed his preliminary objections and prayed for a further opportunity to file his final objections. His request could not be granted as the procedure to be followed in Contempt of Courts proceedings is the procedure prescribed for summary trials under Chapter XXII of the Code of Criminal Procedure. He was accordingly directed to supplement his preliminary objections in order to include all the objections that he may desire to urge which he did after the grant of a short adjournment for the purpose. His preliminary objections are :

(1) That the mention of sub-clause 9 to Section 4 of the Enquiry Committee's Special Provisions (Amendment) (Emergency) Act in the summons renders the notice irregular and invalid as Section 4 does not contain a sub-clause numbered as sub-clause 9 ;

(2) That the notice is not in accordance with Rules 2 and 3 of the Rules framed under the Contempt of Courts Act ;

(3) That Section 9 of the Enquiry Committee's Special Provisions (Amendment) (Emergency) Act has reference only to the Contempt of Courts Act, 1940 but as no Contempt of Courts Act of 1940 is found on the Statute Book, this Committee derived no powers to exercise jurisdiction under the Contempt of Courts Act of 1930 which is the Act that is found on the Statute Book ;

(4) That Section 9 of the Enquiry Committee's Special Provisions (Amendment) (Emergency) Act, 1948 is *ultra vires* of the powers of the Government and has therefore no legal force ;

(5) That even assuming that Section 9 is *intra vires* of the powers of the Government this Committee is not a Court of Justice and as such cannot invoke the provisions of the Contempt of Courts Act ; and

(6) That the members of the Committee, excepting the Chairman, have not been appointed by His Highness the Maharaja of Mysore and have not taken oath as High Court Judges and as such this Committee cannot function as a High Court or assume jurisdiction for Contempt of Courts under Section 9 of the Act.

3. The first objection that Section 4 of the Enquiry Committee's Special Provisions (Amendment) (Emergency) Act, 1948 has no clause numbered as subclause 9 is correct and is upheld. This however does not in any way affect or interfere with the proceedings. The Opponent himself in his written statement

has referred to and taken note of the relevant portion in the notice, *i.e.*, Section 9 of the Act empowering the Committee to exercise jurisdiction under the Contempt of Courts Act. The mistake pointed out by the Opponent is quite immaterial and has apparently crept in because of the method and the manner in which the sub-clauses and sections of the original and the amending Enactments are numbered. The Opponent did not, apart from pointing out the mistake, show how it could affect the legality or the propriety of the proceedings nor did he in any way contend that it affected him adversely. The error, in our opinion, does not in any manner affect the legality or validity of the proceedings.

4. The next objection is that the notice to the Opponent is not in accordance with Rules 2 and 3 of the Rules framed under the Contempt of Courts Act. Rule 2 provides that:

> " every application or order initiating the proceedings under this Act shall be entitled Contempt of Courts Case No.....................of...
> *Applicant* Vs. *Opponent.*"

The case records show that this has been done. The contention of the Opponent is that in the summons issued to him the number and year of the case should have been specifically shown, but there is nothing in the ordinance or the Contempt of Courts Act to warrant the said contention. The Opponent did not refer to or point out any rule or decision to supoort his proposition. It is accordingly rejected.

5. The next contention is that Section 9 of the Enquiry Committees Special Provisions (Amendment) (Emergency) Act as amended refers to the Contempt of Courts Act, 1940, but that no Contempt of Courts Act, 1940 is to be found on the Statute Book and therefore this Committee has no powers to exercise jurisdiction for contempt. It will be necessary to set out the provisions of Section 9 for a proper consideration of the contentions put forward by and against the Opponent. That Section reads:

> " The Committee shall be deemed to be a court for the purposes of the Contempt of Courts Act, 1940 and notwithstanding anything in the said Act, the Committee shall have the power to punish any person who commits contempt of Court in respect of the Committee as if the Committee were the High Court."

The argument on behalf of the Opponent is that penal statutes have to be construed strictly and that any error on the part of the Government in referring to the Contempt of Courts Act of 1930 (which is on the Statute Book) as the Contempt of Courts Act, 1940, cannot be glossed over or ignored or amended. His contention is that this Committee could get the powers to exercise jurisdiction for contempt *only* under the Contempt of Courts Act, *1940*, and not under any other Act and that as no Contempt of Courts *Act of 1940* is on the Statute Book this Committee has no power to assume jurisdiction for contempt. This argument, as will be shown presently, is based solely on the words found in the first portion of the Section ignoring entirely the latter portion of the Section. Comments based on a portion of the section particularly after subjecting it to unwarranted vivisection can hardly be deemed to be fair or proper much less correct or acceptable. The latter part of Section 9 reads:

> "................. and notwithstanding anything in the *said* Act, the Committee shall have the power to punish any person who commits contempt of Court in respect of the Committee as if the Committee were the High Court."

This latter portion of the Section makes it crystal clear that the Committee has been given the power to exercise jurisdiction under the Contempt of Courts Act. The basis of the argument of the Opponent, if accepted, will make the latter part of the Section read:

> ' notwithstandig anything contained in the Contempt of Courts Act, 1940, (whether such an act is or is not in existence) the Committee shall have the powers to punish any person who commits Contempt of Court in respect of the Committee as if the Committee were the High Court. '

It therefore follows that the contention of the Opponent has no substance in it. It will be unnecessary in this view of the matter to go further into the question but since a gcod deal of argument was advanced by the Opponent in support of his stand, we feel called upon to consider the arguments advanced by the Opponent in some detail.

6. The argument of the Opponent is that the Committee, if at all, derived the power to institute contempt proceedings solely from the ordinance and that as the ordinance purported to clothe the Committee with that power under a non-existent Act, it must be held that the Committee got no power to institute contempt proceedings. The learned Advocate-General pointed out that the year '1940' in the ordinance is a patent mistake for the year '1930' and that the Committee must therefore be held to have been invested with powers under the Contempt of Courts Act of 1930 as amended by the Act of 1941. In support of his argument the learned Advocate-General submitted that the acceptance of the contention of the Opponent would render Section 9 of the Ordinance absurd and an interpretation of that kind is repugnant to the accepted rule of interpretation of statutes. The Opponent on the other hand submitted that statutes, particularly penal statutes, must be construed strictly and that it is not competent to a court to proceed on the footing that a mistake has crept into a statute because of the well-known presumption that no mistake can be deemed to have crept into a statute.

7. Halsbury in his book on the 'Laws of England' (Hailsham Edition), Vol. XXXI, para 635, has stated succinctly how the principles enunciated in the rules referred to above have to be applied to the facts of a particular case:—

> 'It is not competent to any court to proceed upon the assumption that Parliament has made a mistake, there being a strong presumption that Parliament does not make mistakes. If blunders are found in legislation, they must be corrected by the Legislature, and it is not the function of the Court to repair them. * *
>
> Where the main object and intention of statute are clear from the title, preamble, or otherwise, it should not be reduced to a nullity by a literal following of language, which may be due to want of skill or knowledge on the part of the draftsman, unless such language is intractable.
>
> Although, as a rule, it is not permissible to supply omissions in a statute, even though they are evidently unintentional, it may be possible in certain circumstances:—
>
> (1) To treat as rectified obvious mistakes;
> (2) To reject words or phrases as surplusages;
> (3) To supply omitted words or expressions;
> (4) To substitute one word for another;
> (5) To read negative words as affirmative, or affirmative as negative; disjunctive as conjunctive and *vice versa*;
> (6) To put upon words a sense possible but not usually attributable to them;
> (7) To expand their literal meaning.'

The same principles are enunciated by Maxwell in his book on 'The Interpretation of Statutes'. He says at page 221:—

> 'Clerical errors may be read as amended, as where, for instance, an Act refers to another by title and date, and mistakes the latter.
>
> It has been asserted that no modification of the language of a statute is every allowable in construction except to avoid an absurdity which appears to be so, not to the mind of the expositor merely, but to that of the Legislature, that is, when it takes the form of a repugnancy...............But the authorities do not appear to support this restricted view. They would seem rather to establish that the judicial interpreter may deal with careless and inaccurate words and phrases in the same spirit as a critic deals with an obscure or corrupt text, when satisfied, on solid grounds, from the context or history of the enactment, or from the injustice, inconvenience, or absurdity of the consequences to which it would lead, that the language thus treated does not really express the intention and that this amendment probably does.'

and again at page 241:—

> The rule of strict construction, however, whenever invoked, comes attended with qualifications and other rules no less important, and it is by the light which each contributes that the meaning must be determined. Among them is the rule that the sense of the words is to be adopted which best harmonises with the context and promotes in the fullest manner the policy and object of the Legislature. The paramount object, in construing penal as well as other statutes. is to ascertain the legislative intent, and the rule of strict construction is not violated by permitting the words to have their full meaning, or the more extensive of two meanings, when best effectuating the intention'.

and finally at page 248 :—

> ' All statutes are now construed with a more attentive regard to the language, and criminal statutes with a more rational regard to the aim and intention of the Legislature, than formerly. '

The weight of authority of decided cases is also in favour of the contention put forward by the learned Advocate-General and opposed to the submissions of the Opponent. A reference to the following cases will make this position clear : 90 English Reports, page 52 ; 153 English Reports, page 736 ; 11 Appeal Cases 627 ; 1909, 2 King's Bench, page 736 ; and 1944 A.I.R. 73 P.C. We are under the circumstances decidedly of the opinion that ' 1940 ' appearing in Section 9 is a mistake for ' 1930 ' and that it is in any case a surplusage and hold accordingly.

8. It may also be mentioned in passing that the punctuation, *viz.*, the comma, before and after ' 1940 ' appearing in the Section seems to indicate that ' 1940 ' does not and was not intended to qualify or relate to the words or the phrase immediately preceding it *viz.*, ' Contempt of Courts Act '. Viewed in this light the figure ' 1940 ' must be deemed to have crept into the Section by mistake and that it is at best a useless and a meaningless surplusage.

9. It was vehemently urged that Section 2 of the Contempt of Courts Act of 1930 contemplated either the High Court or a court subordinate to the High Court of Mysore and no other court, and as this committee, even if it is conceded for the purpose of argument is a court, it is admittedly, not a court, subordinate to the High Court of Mysore and that as such no contempt committed with reference to it could be taken note of under the Contempt of Courts Act. The argument is that any contempt on the Committee though it is deemed a Court, is no contempt within the meaning of the Contempt of Courts Act and as such these proceedings against the Opponents cannot be maintained. This contention does not bear scrutiny. The Committee which is deemed a court under the ordinance is no doubt not a court which is subordinate to the High Court of Mysore, but that fact seems to be the very reason for the insertion of the first portion to Section 9 of the ordinance. The said portion specifically provides that though the committee is not a court subordinate to the High Court, it is nevertheless deemed to be a court for the purposes of the Contempt of Courts Act notwithstanding anything to the contrary in the Contempt of Courts Act. The submission of the Opponent on this point, besides, runs counter to the accepted rules of interpretation of statutes already referred to at some length in the earlier portion of this order. It has to be noted that every court of record has an inherent right to take note of the contempt committed on it. The Criminal Procedure Code provides for action being taken by the inferior courts of record for contempt committed in their presence. As regards contempts committed outside the court against inferior courts of record, action can only be taken by the High Court ; but this does not militate against the superior court of record taking cognizance, of contempts committed against it, outside its precincts. In fact, Section 9 does no more than recognize and reiterate this well settled rule. All contempts committed against a superior court of recerd outside its precincts can be dealt with by the said court. It is admitted and it is also specifically provided by Section 15 of the ordinance that this Committee as a court is not subordinate to the High Court and the provisions of the ordinance amply bear out that this Committee has the powers of fining and of imprisoning persons. It is therefore clearly a superior court of record and can take note of and deal with contempts on it. The contention of the Opponent has therefore no substance in it and is accordingly rejected.

10. The next contention of the Opponent is that under Section 31 of the Government of Mysore Act, the Government can issue ordinance only after satisfying itself that circumstances exist which render it necessary to promulgate .the ordinance. It is urged that there is no material on record in this case to show that before the promulgation of the ordinance the Government applied its mind to find out the existence of the requisite circumstances to justify the promulgation of the ordinance and that as such, the ordinance is *ultra vires* of the powers of the Government. Here again, the Opponent is on flimsy grounds and his contention is without merit. The Press Communique which the Opponent got marked sets out in detail the circumstances which induced the Government to promulgate the ordinance. It is mentioned therein that there was a public agitation for an enquiry

over the matter now before us, that the Representative Assembly passed a resolution demanding the setting up of a Committee of enquiry and that the matter related to the welfare of many families etc. These facts and circumstances clearly indicate that the Government satisfied itself about the necessity for the promulgation of the ordinance. This aspect of the matter is made even more clear by the terms of reference to the Committee. The ordinance is therefore clearly *intra vires* of the powers of the Government.

11. The next contention of the Opponent is that this Committee is not a court as it is not empowered to go into the question of the guilt or otherwise of any person. The Opponent in support of his contention referred to the Press Communique issued by the Government, and the Address delivered by the erstwhile Chief Justice *Rajadharmapravina Diwan Bahadur* P. Venkataramana Rao Naidu, to the Judicial Officers of Mysore but we fail to see how the address of the Ex-Chief Justice or the Press Communique of the Government can alter or amend the express words of the ordinance and the terms of reference. The address and the Press Communique could have been referred to and may have been of some use in deciding or determining the contention that the Committee is not a court if there was any ambiguity on the point; but the ordinance in more places than one sets out in the clearest of clear language that the Committee shall be deemed to be a court of justice and will be a court for the purposes of the Contempt of Courts Act. Section 4 of the ordinance lays down :

> ' The Committee shall be deemed to be a court of justice and every proceeding before it a judicial proceeding for the purpose of Chapter XI of the Indian Penal Code.'

and Section 9 of the ordinance lays down :

> ' the Committee shall be deemed to be a Court for the purposes of the Contempt of Courts Act.'

and

> ' shall have the power to punish any person who commits Contempt of Court in respect of the Committee as if the Committee were the High Court. '

It was contended by the Opponent that the Committee can only collect facts and that as such it cannot be deemed to be a court of justice. The contention that the Committee can only collect facts is not correct. It has to collect not only facts, but also to find out what law or laws have been transgressed, what loss has been incurred and by whom and, what is more, make recommendations for remedying the lapses. Further, even assuming that the Committee is only a fact-finding Committee, that factor does not in any way militate against its being deemed a court. It is well-known that a contempt can be committed against a committal court; nor can it be said that when a court is called upon to merely record evidence and submit the records, it ceases to be a court. The decisions reported in 91 English Reports, page 179 and 1892, 1 Queen's Bench 431 appear to be to the point. In the latter case a coroner court was held to be a court of law. It must also be remembered that the Committee is empowered to administer oaths, impose punishments for offences under Chapter XLXI of the Indian Penal Code and under the Contempt of Courts Act. It must be noted that the Committee must also be deemed to be a court of record as it has the power to fine and imprison and it is well settled that contempts can be taken notice of and adequately dealt with by a court of record (see Groenvelt V Burnell (1700) Carth 491). The contention that the Committee is not a court is therefore rejected.

12. The next contention of the Opponent that the two members of the Committee, apart from the Chairman, have not been appointed by His Highness the Maharaja of Mysore and taken oath as High Court judges for the Committee to function as a High Court has likewise no substance in it. Nobody can legitimately contend that this Committee is a High Court. The ordinance does not say that this Committee is a High Court. What it says is that the Committee for certain purposes *viz.*, for the purpose of exercising jurisdiction under the Contempt of Courts Act shall be deemed to be a High Court. Under such circumstances, it is idle to contend that this Committee is a High Court or the members of the Committee High Court Judges. It therefore follows that the administration of oath prescribed for the High Court Judges has no application to the members of the Committee. It was contended that contempt proceedings can be instituted

only by the High Court and that every court which exercises contempt jurisdiction is a High Court. No authority was cited in support of the proposition. The contention appears to us to be untenable. As already pointed out, there are clear authorities for the proposition that every Court of Record is competent to institute contempt proceedings and to dispose of them (See A.I.R. 1942 L 105; 8 Moore P.C. 47 ; (1850) 36 Mis 341). In the matter now before us, apart from the powers inherent in any Court of Record to invoke jurisdiction for contempt which the Committee can invoke, the ordinance in question specifically gives the Committee that power.

13. The preliminary objections of the Opponent are therefore held to be untenable and accordingly rejected.

14. The only contention of the Opponent on merits is that neither his letters nor the portions underlined therein can in any sense of the term be deemed to be a contempt of court. He states that he sent those letters for publication to the press solely with a view to draw and focus public attention on those provisions of the ordinance which he deemed undesirable in order to have the said provisions deleted or at least modified. In support of his submission he dealt at some length on what he termed as the 'background' for his letters and referred us to the leading articles appearing in the 'Daily News' dated 19th April 1948 and the 'Tainadu' dated 20th April 1948. He also referred us to and relied on the speech delivered by the Ex-Chief Justice *Rajadharmapravina Diwan Bahadur* P. Venkataramana Rao Naidu to the Judicial Officers of Mysore State. He submitted that he felt inspired by the speech of the Ex-Chief Justice to write the articles in question and that by those letters he attempted to do no more than what the Ex-Chief Justice has attempted to do, namely, to check the growing tendency of the present Executive Government to encroach into the domain of the judiciary with a view to ensure the purity and the prestige of the administration of justice. unhampered in the State. His whole argument was directed towards showing that he intended no contempt and that in fact there was no contempt and that there was nothing in the letters to which exception could be taken by the Committee. He incidentally gave himself a pat of appreciation on his and his clients' back for their courage in starting and leading the agitation which he linked with the freedom movement launched by the Congress and deplored at what he characterized as the cowardice of those who did not join him in his crusade against the ordinance. The learned Advocate-General on the other hand contended that the letters, particularly the lines underlined therein read with the context and referred to in the charge clearly amounted to contempt. He submitted that the alleged back-ground and the speech of the Ex-Chief Justice or the articles prior to the date of the said speech in the 'Daily News' and the 'Tainadu' were immaterial and even irrelevant for the consideration of the question whether the writings amounted to contempt of Court or not. He pointed out that the Opponents in the three cases having failed in their attempt to have the alleged objectionable clauses in the ordinance deleted or modified, or have the ordinance itself scrapped by constitutional means, changed their method in order to achieve the intentions for which they had started the agitation and for that purpose acted in concert to vilify the Committee with a view to bring it into contempt so that its work may be smothered. In support of his argument he referred to and relied on the significance of the reference in the editorial of the 'Daily News' dated 21st June 1948 to the letter of Sri L. S. Raju dated 19th June 1948 published earlier in its columns. He next relied on the articles headed 'Star Chamber Methods' in the 'Daily News' in which Sri L. S. Raju congratulated the Editor of the 'Daily News' on the editorial and requested him to have the same reproduced in the 'Tainadu'. He also pointed out how the request of Sri L. S. Raju was complied with by the Editor of the 'Tainadu'. He contended that those circumstances clearly showed that the three Opponents acted together and in concert in the matter.

15. He next referred to the professed intentions of the Opponents to secure the amendment or the deletion of certain of the provisions of the ordinance in the interest of the public and submitted that it is not the 'Intention' but the 'Effect' that mattered. As regards the linking up of the agitation to the freedom movement which ushered in the popular Government in Mysore, it was submitted that it was, to say the least, ludicrous.

16. The question for decision is whether the articles referred to in the charge amount to contempt of Court or not. There are three classes of contempt of Court. They are set out by *Lord Hordwicke Roach* v. *Garvan* reported in (1742) 26 E.R. at page 683 thus :

> 'One kind of contempt is scandalising the Court itself. There may be likewise a contempt of this Court in abusing parties who are concerned in causes here. There may be also a contempt of this Court in prejudicing mankind against persons before the cause is heard. '

This definition of contempt was later amplified by Lord Russel in (1900) 2 Q.B.D. at page 36 in the following words :—

> ' Any act done or writing published to bring a Court or Judge of the Court into contempt or to lower his authority is a Contempt of Court. This is one class of contempt. Further, any act done or writing published calculated to obstruct or interfere with the due course of justice or the lawful process of the Courts, is a Contempt of Court. '

The article of the Opponent under the caption "Star Chamber Methods ! " and more particularly the following sentences appearing in the same :—

> 'Dr. C. F. da Costa, I understand, has been bed-ridden after what transpired at the Enquiry Committee. '

and the one succeeding it :—

> ' The provisions of the Emergency Act giving extraordinary powers to the Committee recall to one's mind Star Chamber Methods of the past.'

when read together can produce only one impression in the mind of an ordinary reader, *viz.*, that Dr. da'Costa got bed-ridden because of the use of ' the Star Chamber Methods ' on him by the Committee.

17. It was contended for the Opponent that the words ' Star Chamber Methods ' were used by him to draw and focus public attention on the omission of the Government to insert provisions in the Ordinance to enable the witnesses summoned to appear before the Committee, to take legal assistance while appearing before them and to the enquiry being held *in camera*, in order to have the same remedied. This contention does not deserve serious consideration. The characteristics of ' Star Chamber Methods ' are concisely set out at page 331 of Volume 21 of the ' Encyclopædia Britannica ' (14th edition). It is there stated :—

> ' They (the Star Chamber) dispensed much justice and heard many cases often by desire of the parties concerned. Hearings were public ; there was no jury : torture was sometimes used to get confession.................Sentence of death was never pronounced. The court punished with imprisonment and with fine, even with mutilation. '

It will be seen from the foregoing that the sittings in the Star Chamber were public and never *in camera*. The provision in the Ordinance for *in camera* hearing which the Committee followed cannot therefore have any reference to or similarity with the ' Star Chamber Methods '. The absence of jurors—a characteristic of the Star Chamber hearings—is not made a reason for the grievance of the Opponent against the Ordinance or the Committee. It is therefore clear that the expression ' Star Chamber Methods ' in the article with reference to the Ordinance and the Committee can only refer to the torture and the punishment including mutilation that were inflicted by the Judges of the Star Chamber. This position is made even more clear by the sentence in the letter ' Dr. C.F. da Costa, I understand, has been bed-ridden after what transpired at the Enquiry Committee. ' It is thus seen that the article was meant to convey or conveys the idea to the public that the witnesses who appeared before the Committee were being subjected to ' Star Chamber Methods ' *i.e.*, torture including mutilation. The Opponent cannot therefore legitimately say that the article was either fair or moderate ; nor can he contend that the article did not scandalize the Committee and its Members. The article, apart from scandalizing the Committee, is bound to frighten the witnesses and prompt them to keep away from the Committee. Again the sentences : —

> ' Even an alleged murderer when he is arraigned as an accused is entitled in law to all protection and he cannot be subject to any insult or intimidation. '
>
> I would on this occasion recall to the Chairman of the Committee the exemplary and creditable manner in which he as a Judge went into the matters connected with the liquidation proceedings of the Bangalore Bank, Ltd. '

will give an ordinary reader the impression that the Committee is insulting and intimidating the witnesses. It will also give the reader the impression that the Chairman of the Committee has fallen far below the standard required of a Judge or in the alternative, the impression that the two honourable members of the Committee are either insulting and intimidating the witnesses or have been responsible for the marked declime of the Chairman from the high standards which, as a Judge, he possessed. It cannot be denied that the sentences are calculated to scandalize the Committee and lower its prestige. It was submitted by the Opponent that his compliments to the Chairman were genuine and sincere and that he meant no aspersions against him or the Committee ; but even if his assurances are accepted, there can be no doubt that the words read in the context in which they occur will be taken by an average reader as ' left-handed compliments' meant to lower or lowering the dignity and prestige of the Committee.

18. It will be noted that in the article under the caption ' Gopala Rao Enquiry Committee—Mr. L. S. Raju's call for Public Proceedings' published in the ' Daily News ' dated 19th June 1948, the following sentences appear in para 3 of the article :

> ' It is a *fact finding* Committee and not a *fault finding* Committee. As the Government opine, the fact that a High Court Judge is the Chairman (Sri Justice P. Medapa, with his vast experience and whom I know very well, happens to occupy that place) must be a guarantee for impartiality, judicial calmness and fairness and an assurance that the witnesses who are all Court witnesses and subjects of His Highness the Maharaja of Mysore would be protected from harassment, discourtesy or use of indecorous language. I would fain not believe reports current.'

These sentences cannot but produce the impression that the Committee is neither impartial nor possessed of judicial calmness and fairness and that the witnesses who appear before it are subjected to harassment and discourtesy. The Opponent contended that these words were based upon the complaint made to him against the Secretary of the Committee by one of his clients *i.e.*. Mr. Rebello who has instructed him to institute proceedings against the Secretary and that it has no reference whatsoever to the Committee or to the Members. This submission does not fit in with the context. Nothing could have prevented the Opponent from making the position, that he now wants us to take, clear in the article. The Opponent made no effort to verify the truth of the allegation against the Secretary either from the Secretary or the Chairman or members of the Committee. He did not adopt the procedure usually followed by responsible persons in such cases *i.e.*, to forward the letter to the Government or the Chairman ; but straightaway rushed to the columns of an obliging press to air the alleged grievances of his client though the normal procedure followed by an Advocate who has been briefed to file a suit is to issue a notice to the person against whom proceedings have to be instituted. The sentences in the context can have reference only to the Committee. We, therefore, cannot but reject the explanation as an after-thought. These sentences, in our opinion, scandalise the Committee and its members and lower its authority in the eyes of the public. The said sentences are, besides, bound to engender fear in the mind of the witnesses and prompt them to keep away from the Committee. Again, the sentence in the said article :

> ' Nothing should be done by anybody either directly or indirectly, to give an impression that the only person who is happy now is the author of the Crash and the unhappy persons are the victims of the Crash.'

clearly holds up the Committee to ridicule inasmuch as it makes it appear that the Committee seeks to keep the author of the Crash happy and the victims of the Crash unhappy. The words as they appear in the context cannot but lower the prestige, the authority and the usefulness of the Committee in the eyes of the public.

19. In the article under the caption ' Star Chamber Methods ! ' appearing in the ' Daily News ' Sri L. S. Raju specifically says :—

> ' Let me congratulate you on your Leader in your issue of the 21st instant. I trust you will reproduce the same in the ' Tainadu '.........
>
> * * *
>
> If witnesses are permitted to have legal assistance (and there is no prohibition for it in the Act or anywhere else ; on the other hand there is precedent for it) I assure the Chairman and his colleagues that I will endeavour my best to see that the fullest and most valuable information are given to the Committee and every co-operation rendered in their arduous and responsible task.'

In this connection it must be mentioned that invitations were issued by the Committee through the Press, to all those who are interested in the enquiry to give their kind co-operation to the Committee and to give evidence on all relevant facts, within their knowledge. This request was not responded to by Sri L. S. Raju. As can be gleaned from his letter, he wants to appear before the Committee only as an Advocate on behalf of what he terms a 'party' and not as a witness. Sri L. S. Raju in the course of his argument contended that his appearance as advocate will be gratuitous, but this explanation does not fit in with his statement, in the course of the arguments that he had instructions to file a suit against the Secretary of the Committee from one Mr. Rebello. The offer by Sri L. S. Raju of his services to the Committee and the reference to his name in the articles appearing in the two Papers and the manner in which that reference is made, give one the impression that all the three Opponents are, as pointed out by the learned Advocate-General, acting in concert and the circumstances of the case indicate that the professed intention to serve the public cannot be accepted as wholly correct or entirely devoid of profit motive. It is well known that very influential and powerful personalities come into the picture of the Enquiry. It is also known that herculean efforts and machiavellian methods are at work to see that the real truth relating to 'Gopala Rao Bubble' does not see the light of day and there can be no doubt that the articles of the Opponent can be pressed into service by the forces at work for their own purpose. It may be that the Opponent is unaware of it, but that circumstance does not in any way minimize the effect of the articles on the mind of the reading public.

20. The contention of the learned Advocate-General is that the intention of the Opponent in writing the articles in question is immaterial for deciding the question whether the writings amount to contempt of court. His submission is that it is not the 'Intention' of the writer but the 'Effect' produced by his writing on the reading public that matters in contempt proceedings. This proposition of the learned Advocate-General is not disputed by the Opponents. The decisions reported in 1942 A.I.R. Bombay 87, A.I.R. 1943 Lahore (F.B.) 329, and I.L.R. Patna Series 1941 (20) 306 fully support the view put forward by the learned Advocate-General. The professed intention of the Opponent in writing the articles in question is therefore immaterial and has no bearing on this case.

21. The profession of the Opponent that the articles are written to secure to every citizen the right of a public trial with proper legal assistance, as will be shown presently, has a hollow ring about it. The Opponents relied on the speech of the Ex-Chief Justice, *Rajadharmapravina Diwan Bahadur* P. Venkataramana Rao Naidu to the Judicial Officers, in which he expressed himself strongly against *in camera* trials. The Opponent further relied upon the observations of some of the eminent Judges regarding the undesirability of holding *in camera* trials. There is nothing in the decisions relied on by the Opponents or in the speech of the Ex-Chief Justice to support the view of the Opponents, that it is undesirable or improper to conduct an investigation or hold an enquiry *in camera*. It must be obvious to every one that there is a world of difference between a 'trial' on the one hand and an 'investigation' on the other. The first term of reference to the Committee is to :—

> 'investigate the circumstances in which and the method whereby Sri Gopala Rao was able to carry on his financial transactions and all other relevant matters which made such transactions possible.'

No authoritative pronouncement of any jurist or Judge was cited in support of the proposition that investigation should be conducted in public with proper legal assistance to the witnesses appearing before the investigating authority. The agitation started by the Opponents to secure what they call 'an open enquiry' may or may not be useful ; but it cannot by any means be said that the right of an accused to claim a public trial with legal assistance has in any way been, transgressed by any of the provisions of the ordinance, much less by the Committee. In fact, the ordinance specifically provides for legal assistance whenever the Committee decides to try persons for alleged offences committed before it under Chapters XI and XII of the Indian Penal Code and the Contempt of Courts Act.

22. It may be mentioned here that the Police do not conduct their investigations in public, nor is an advocate permitted to appear before them during investigation. Similarly departmental enquiries are also not conducted in the open and very often without legal assistance. Under these circumstances, we fail to see anything in the alleged agitation of the Opponents to warrant a comparison of their agitation to the freedom movement launched by the Congress. We entirely agree with the learned Advocate-General that the comparison is ludicrous. It will be seen that the Ex-Chief Justice in his speech concentrated his criticism on that provision of the ordinance which enabled the Government to entertain an appeal over the convictions passed by this tribunal for offences under Chapters XI and XII of the Indian Penal Code; but the Opponents do not make that, their plank of attack on the ordinance. We refer to this aspect because of the contention of the Opponents that they wrote the articles in question in the interest of the public and in the interest of the administration of justice. It was already noted that it was usual to conduct investigations in private and that no legal assistance is given to witnesses who appear before an investigating authority and that as such no right of any member of the public was interfered with when an *in camera* enquiry was prescribed in the Ordinance.

23. The Opponent, as already pointed out, argued at length to show that his intention in writing the article was to secure a public enquiry. It has been shown in the earlier portion of this Order that the *in camera* enquiry was prescribed by the Government. The individual interests of the Members of the Committee will be well-served if the enquiry is made open to the public; but as a Committee they are definitely of the opinion, after what has been stated before them so far, that the popular Government would have ill-served the State and its people if they had departed from the usual procedure adopted in all investigations and directed an open enquiry.

24. The articles, particularly the lines underlined, read with the context clearly and unmistakably scandalise the Court. They interfere or tend to interfere with the work of the Committee in examining witnesses. They scare and frighten or tend to scare and frighten witnesses who are summoned and prompt them to avoid appearing before the Committee. The articles in question, generally speaking, seek to prevent those who are aware of the relevant facts and details of the Crash from offering their full co-operation to the Committee.

25. There was nothing in the conduct of the Opponents even after notice and during the proceedings to minimise the gravity of the contempt. On the other hand, their attitude in Court and the manner and the method in which the proceedings in Court were reported by them in the Papers, seem to have been designed to aggravate the contempt. We find no extenuating circumstances to justify a lenient view being taken in the matter.

26. We find that the Opponent is a partner to the contempt and is guilty of contempt. We accordingly convict and sentence him under Section 3 of the Contempt of Courts Act, 1930, to suffer simple imprisonment for a period of two months and to pay a fine of Rs. 300 and in case of default, for a further period of one month's simple imprisonment.

27. We recommend that he be given 'A' class.

The Aftermath.—

The judgment of the Committee were taken up in revision to the High Court on the same day and the Petitioners were released on bail. The revision petitions were posted for hearing before a Division Bench and after arguments had been addressed for several days, were posted for hearing before a "Fuller Bench". The hearing of the revision petitions dragged on for weeks and, after protracted and prolonged arguments, were ultimately dismissed on 9th September 1948. It must be mentioned here that, during the course of arguments, the Government felt compelled to issue two Ordinances to clarify the already clear provisions of the Ordinances constituting the Committee and conferring on it the powers referred to earlier. The Government, after the disposal of the Revision Petitions in the High Court, remitted the unexpired sentence awarded on the accused persons and issued a Press Communique as hereunder—

> 'Government consider it desirable that the public should be properly informed of their attitude towards the recent proceedings in the High Court of Mysore regarding the

Contempt of Court sentences passed by the Gopala Rao Enquiry Committee on two editors of newspapers and an Advocate of the High Court. During the pendency of these proceedings, Government had no opportunity to explain either the course of events or what led to their advising His Highness to give assent to or promulgate certain Acts. This necessarily self-imposed silence on the part of Government may have led to a very one-sided and erroneous impression being created among certain sections of the public.

It may be recalled that at the insistence of the public and on an unanimous demand voiced on their behalf by the Representative Assembly, a high level Committee was constituted with terms of reference which required it to unearth all the ramifications of the huge financial transaction of Sri Gopala Rao ending in a crash and to place before the Government as a result of the enquiry, the full facts of the case and the extent to which any individuals other than Gopala Rao were concerned in these transactions. The Committee was constituted by an Act passed under Section 31 of the Mysore Constitution Act early in March this year. The Committee consists of the seniormost Puisne Judge of the High Court, who is the Chairman and two other gentlemen, one, the President of the Mysore Constituent Assembly and the other, Member of the Indian Constituent Assembly and President of the Karnatak Provincial Congress Committee and both experienced leaders of the Bar. The Committee was given certain specific powers in regard to the examination of witnesses and the production of documents. These powers were later found to be inadequte for the purpose for which the Committee was constituted and an amending Act under the same section was passed giving more specific powers, constituting the Committee into a Court for certain purposes and vesting it with power to punish in contempt cases as if it were a High Court. The Act further specifically provided that the orders and decisions of the Committee should be final and should not be questioned by any Court, an appeal to the Government, however being provided for in certain cases. The Committee was required to conduct its proceedings *in camera*. This was partly to protect certain witnesses from being harassed with ridicule later on account of their divulging publicly their financial transactions and partly to prevent certain others from being apprised of the nature of the evidence being given which may enable them to be on the alert and suppress further evidence. The orders of the Court were to be final as otherwise the proceedings could be hampered in numerous ways by powerful vested interests by resort to various legal proceedings not ultimately found warranted and thereby prolonging investigation or even making it completely infructuous. One of the witnesses before the Committee, who, under the provisions of the Act, was bound to keep the proceedings secret and not divulge it in public appears to have acted contrary to this provision and to have conveyed to certain persons altogether unfounded and false allegations of the way in which the Committee treated him in the witness box. These allegations were made the basis of attack on the methods pursued by the Committee with its investigations, in articles published in two newspapers. The Committee issued notices to the editors of the two newspapers in which the articles were published and to the Advocate who was the writer of such an article to show cause why they should not be punished for Contempt of Court. After due hearing the three persons were found guilty and were sentenced by the Committee. The accused filed petitions in the High Court and applied for bail before a Judge of the High Court and bail was granted by him after Court hours and without any notice being given to Government. Government with a desire to respect the order of the Court, released them the same night, but instructed the Advocate-General to file a petition in the High Court questioning the jurisdiction of the High Court and the validity of the bail order in view of the provisions of the Act. The cases were first heard before a Bench of two Judges and later before a Bench of the four Judges of the High Court. In view of the nature of the arguments advanced by the petitioners in the bail and revision applications and in view of certain remarks by some of the presiding Judges,Government were advised that a clarificatory Act may be promulgated with the assent of His Highness, further clarifying what was clear enough from the beginning, that the Committee's orders were final and were always intended to be final and could not be questioned by any Court including the High Court either on the revisional side or under Section 491 of the Criminal Procedure Code. The High Court heard the arguments on both sides and reserved its judgment to a later date. Meanwhile, as the period of six months during which the original Act was to be in force, was to expire on Monday the 6th September and as the work of the Committee had not been finished and the investigations had to be completed and report sent to Government, Government considered the question of promulgating another Act. It is clear that there could be no difference between the sanctity and effectiveness of an Act promulgated under Section 31 and that under Section 47 of the Constitution Act. Nevertheless, having regard to the observations made by some of the Judges that the effectiveness of the Acts passed under Section 31 and Section 47 was different, Government felt that the Emergency Acts could be consolidated and re-enacted as an Act under Section 47 vesting certain powers in the Committee and as intended by the Emergency Acts making the orders of the Committee final and not capable of review by any Court including the High Court and deeming all Acts and Orders passed by the Committee to be valid. His Highness has been graciously pleased to promulgate Act No. LXI of 1948 to this effect. In accordance with the provisions of the Act, the High Court dealt with bail application and the revision petitions holding that they had no jurisdiction. Having come to the unanimous decision that they had no jurisdiction, some of the Judges, despite the Act promulgated by His Highness, have discussed the merits of the case and given findings also. Thereafter, the Committee issued fresh warrants of arrest and committed the accused to undergo the unexpired portion of the sentence. Government under the powers conferred on them by this Act to remit the whole or part of the sentence ordered the release of the accused and the remission of the unexpired portion of the sentence and the fine, and the accused were set at liberty the same night. The following is the decision of the Government on the point taken on the 10th September 1948 :—

' Sri L. S. Raju, Sri P. R. Ramaiya and Sri P. B. Srinivasan were sentenced to simple imprisonment of two months each and a fine of Rs. 300 each by the Gopala Rao Enquiry Committee on 14th July 1948 for contempt under Section 9 of the Enquiry Committee Special Provision Emergency Act. The accused were released on bail by the High Court of Mysore. The High Court has since cancelled the order enlarging the accused petitioners on bail. By an order of the Gopala Rao Enquiry Committee the three accused were re-arrested and remitted to Jail to serve the unexpired portion of the sentence.

Under Section 13 of the Special Enquiry Act of 1948 promulgated by His Highness the Maharaja, it is provided that the Government may, in its discretion, remit the whole or part of any sentence passed by the Committee. The accused having been sentenced for contempt in respect of the Committee, Government considered it proper that the Committee should be consulted before coming to a decision regarding remission of any portion of the sentence. Accordingly, having consulted the Committee, Government have come to the view and hereby order that the unexpired portion of the sentence of imprisonment of the three accused be remitted and that the sentence of fine imposed on each of the accused be also remitted.

This order may be communicated forthwith to the Superintendent, Central Jail.'

vernment desire to make it known that in all the decisions they took and the Acts they were obliged to get enacted with the approval of His Highness, they were influenced by the one desire of carrying out the public demand that there should be a thorough and searching investigation into the transactions of Sri Gopala Rao and those who may have been associated with him in such transactions. As has been already stated, Government felt convinced and continue to feel convinced that in the emergency that arose, having regard to their intimate knowledge of some at least of the aspects of the transactions of Sri Gopala Rao, there was no alternative except to confer the powers on the Committee as provided under the various enactments.

ere have been some comments about the independence of the judiciary and the need for safeguarding such independence. The Mysore High Court has always enjoyed such independence and the Government of Mysore has been scrupulously adhering to the view that such independence is essential and has on no occasion tried to interfere with the course of justice. It continues to be of the same view. The recent legislation newly conferring on the High Court the powers to issue Writs of Habeas Corpus and Mandamus is an instance to the point. But it must be remembered that while the independence of the judiciary is acknowledged, the principle is also observed in all civilized States that the supremacy of law is no less important and inviolable. No Court which values its independence can afford to question the supremacy of the legislating authority where it is completely sovereign and subject to no superior legislative body, because that very independence depends for its existence on respect for the law promulgated. If anything is deemed to be undesirable in a law duly promulgated by a sovereign legislating authority, it is not within the province of the courts to ignore such law. The right of the individual or groups of individuals effected by any such law must and quite naturally will be safeguarded by the legislature. The forum, therefore, for questioning the propriety of the law or rectifying the same is not the court even though it may be the High Court, but it is the legislature. This fact is understood and appreciated by all courts and by all citizens all over civilised States.

Government have been animated by no motives, and certainly by no vindictiveness towards any individuals, in trying to clarify the law promulgated in April 1948, either by the special enactment of August or by the later Act promulgated by His Highness in September. In fact the release of the re-arrested persons within a few hours must be considered by all reasonable persons as proof positive of the intentions of the Government in this matter.

Bangalore,
Dated 16th September 1948.

V. VEDAVYASACHARYA,
Chief Secretary to Government.

It will be interesting to state here that the view taken by the Committee and approved by the Government was subsequently endorsed and followed by a Full Bench of the Lahore High Court in 2 Pak. L.R. (1949) Lah. 215, where their

Lordships dealt at length with the arguments addressed both for and against the contentions raised by the petitioners in the High Court.

The Committee, out of respect to the High Court, suspended its work during the hearing of the Revision Petitions and until their final disposal. The Committee, after the disposal of the Revision Petitions in the High Court, recommended its work of examining the witnesses and completed the enquiry after examining 580 witnesses and reconstructing the accounts of 1,200 depositors. The vast majority of the depositors, who had made money as a result of their dealings with Gopala Rao, gracefully followed the generous lead given by Sri Venkaji Rao to voluntarily pay back a substantial portion of the gains they had made to the Committee for distribution amongst those creditors of Gopala Rao who had lost when they realised that Gopala Rao had not really conducted any business and the interest that they had been paid had not come out of the profits earned by Gopala Rao in any business but from out of the money collected by him and his supporters from the unwary public under false pretences. This gesture was indeed gratifying and greatly heartened the Committee in its work. A few however proved recalcitrant and refused to co-operate with the rest of this class of depositors in their desire to minimise the losses of those depositors of Gopala Rao who had lost by depositing moneys with him. The Committee was thereupon empowered by the Government to recover money from those who had made profits from the business of Gopala Rao—not exceeding the profits they had so made—for distribution amongst those who had lost.

RELIEF GIVEN BY THE COMMITTEE UNDER THE DIRECTIONS OF THE GOVERNMENT.

The Committee collected in all a sum of Rs. 43 lakhs including the assets of Gopala Rao and, after deducting the expenses of the Committee as per the directions of the Government, distributed the rest amongst those that had lost. It must be mentioned here that, in computing the losses, the Committee gave deduction to the payments received by them from Gopala Rao prior to the date of his Crash. The Committee paid 6 annas in the rupee uniformly to all the depositors.

N. V. BABU REDDY,

Secretary,
Gopala Rao Enquiry Committee,
15—3—1950.

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SECOND PART

THE REASONS FOR THE FINDINGS OF THE COMMITTEE ALONG WITH ITS FINDINGS

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Gopala Rao, His Ancestry and Early Life.—

Sri B. N. Gopala Rao is a lineal descendant of one Govinda Rao Jivaji, a Desastha Brahmin, who hailed from Maharashtra. Govinda Rao Jivaji, an adventurous and resourceful man, left his homeland in the company of a Mahratta Army in one of its predatory incursions into Mysore territory. Attracted by the guileless good nature of the local peasant and captivated by the bracing and salubrious climate of Bangalore, he decided to settle down permanently in its vicinity. It is said that he founded the Town of Hosakote—a Taluk Headquarter—and later had a big tank constructed nearby. The descendants of Govinda Rao Jivaji lacked the talents of their ancestor and failed to make any mark or impression on the mind of the people amidst whom they lived. The spirit of adventure and resourcefulness, which marked the life of Govinda Rao Jivaji, lay dormant in his descendants for a time to reappear and manifest themselves, with a bound, in the life and person of Sri Gopala Rao.

Hoskote Nagesha Rao, father of B. N. Gopala Rao, was a Head Clerk of the District Court, Bangalore. He died in 1900 at the age of 42 leaving behind him a large family consisting of 5 sons and 4 daughters. Nagesha Rao died a poor man possessed of a house (which was sold for Rs. 1,200 in 1912) and an Insurance Policy for Rs. 2,500. The responsibility of maintaining the large family of 9 souls naturally fell on the eldest son, Sri Narayana Rao, who retired as the Manager of the Office of the Inspector-General of Police in Mysore. Narayana Rao appears to have been a good and hard-working man. He educated all his brothers, celebrated the marriages of all his sisters and looked after the welfare of all the members of his family.

Gopala Rao was born on the 8th of January 1895. He had an attack of plague when that fell disease made its first appearance in Bangalore in 1900. Report has it that few in Bangalore survived the attack of that epidemic in 1900, but fate had apparently decreed that Gopala Rao should have a hand and play his part in the fortunes of his fellow-citizens in the years to come. He recovered from the attack unscathed except for a permanent limp in his left leg. He studied in the Central College, Bangalore, but left that College without taking his Degree to join the Engineering College which also he left with no better results. He then took up service in the year 1923 as a Store Clerk in the Minerva Mills on a salary of Rs. 40 per mensem. He resigned his job in the Minerva Mills and went to Nandyal in Kurnool District to marry his first wife, the daughter of one Sri Narayana Rao—a Revenue Inspector of that place. Gopala Rao managed to secure a job in the local branch of the Imperial Bank at Nandyal in 1926 but after the loss of his wife, left Nandyal for good on transfer to the local branch of the Imperial Bank in Bangalore.

Appearances and Inclination.—

Gopala Rao is a small-made man of about 5 feet 3 inches, with a hunch, a prominent forehead, deep-set eyes and parted eye-brows. He walks with a stoop and is far from being attractive but his commonplace appearance is more than compensated by an alert mind and a keen sense of wit and humour. He is a sparkling conversationalist with a rare gift of repartee and an inclination to dominate the conversation. He has a deep insight into the springs of human emotions. He appears to be an adept in the art of dissimulation and is quick in discerning the feelings of his listeners and their reaction to his ideas. He strikes as something out of the way and very much above the general level of intellect. He gives the impression of a man of genius who has been compelled by circumstances to occupy a position far below his deserts. A feeling of admiration for his gifts and commiseration at the denial to him of his legitimate dues is evoked. His pose is always that of a man of talents who has been wronged by an inscrutable Fate. He never misses an opportunity to harp on the sufferings and miseries of the common man, and by that means and in that manner ingratiates himself imperceptibly into the affections and confidence of his listeners. He evokes in his listeners the feeling that he has dedicated his life for the amelioration of the sufferings and miseries of the average man. He trots out plans and methods, with the fecundity of a rodent and discusses their *pros* and *cons* in such a vivid manner that a belief is created that, given the chance, he is bound to execute his plans successfully. His greatest asset is his intimate knowledge of the miseries and yearnings of the common man and the hope and eagerness of every human being to better his or her own position in life. His stock-in-trade is gullibility, greed and need.

Poverty and Efforts to overcome it.—

It has already been stated that in 1929 Gopala Rao got a salary of Rs. 40 per mensem and found it hard to make both ends meet. He had to think feverishly to augment his meagre income and his attempts for the purpose, brought him face to face with other clerks in circumstances, much worse than his own. He discovered that several of his colleagues in the Bank had been forced to borrow from Pathan money-lenders, at the exorbitant rate of 48 per cent per annum as they could get no credit in a joint stock bank or from acceptable Bankers. He knew that the Clerks had to keep their transactions with Pathans away from the authorities of the Banks in which they served on pain of losing their jobs. He also knew the methods of the Pathan money-lenders for recovering the interest due to them from their debtors. The clerks had to keep their jobs and at the same time get out of the clutches of the Pathan money-lenders who prowled about the Bank premises on pay days to collect the interest due to them.

Small Beginnings.—

Gopala Rao saw in the imperative need of the clerks and the rapacious greed of the Pathan money-lenders an opportunity to augment his income. It also afforded him a chance to demonstrate to his friends that his professions of sympathy for the poor were not mere cant. Gapala Rao told the clerks that he would advance money to them at 36 per cent provided they gave him gold jewels as security for the loan and kept their transactions with him a close secret. The offer of Gopala Rao was very welcome to the clerks as they were enabled thereby not only to save 12 per cent interest but also to shed the dread of the Pathan. Gopala Rao made arrangements to obtain money at the rate of 24 per cent from his uncle which meant a margin to himself of 12 per cent on the money borrowed by the clerks. The uncle who lent him money was considerably benefited as interest on secured loans at that time did not exceed 6 to 9 per cent. The arrangement was beneficial to all the parties concerned—the borrower, the uncle who lent and Gopala Rao, the sympathiser of the poor ! It is hardly necessary to point out that the income of Gopala Rao increased with the increase of the loans borrowed by the clerks. Gopala Rao knew enough of the psychology of the clerks not to realise that his request to keep the transactions a close secret would have an effect opposed to the one he professed to secure. He also knew that publicity given by one who feels that he has been benefited is more efficacious than publicity obtained through the usual methods of advertisements. His anticipations and expectations proved true for the clerks, who borrowed moneys at a lower rate of interest, soon began to sing the praises of Gopala Rao in a confidential whisper to all their friends and acquaintances but always with a caution and a request not to mention or discuss the matter with any one. The result was greater and greater publicity and requests from larger and larger number of people for loans.

Advent of Appiah Naidu into the Picture.—

Gopala Rao, being unable to meet the demands on him for loans for want of sufficient capital, thought of Sri Appiah Naidu, Foreman of the Minerva Mills, under whom he had worked for some time as Store Clerk. Gopala Rao had known that Sri Appiah Naidu was in the habit of lending money for interest to the labourers who worked under him in the Mill without any security. He felt that Sri Appiah Naidu will not miss the opportunity to lend money for interest at 24 per cent on the security of gold jewels and accordingly approached him with a request for a loan and the request, needless to say, was acceded to with alacrity. The stipulation to keep the transaction a close secret was very welcome to Sri Appiah Naidu, who had been carrying on the business of a money-lender without obtaining a license for that purpose as required by the Money-Lenders Act, as it was helpful to him to avoid the attention of the Income-tax authorities. The arrangement worked smoothly for some time, with the result that Gopala Rao got a good taste of easy money and in addition the appellation of a sympathiser and a benefactor of the poor, to boot. Needless to say Gopala Rao very much relished the position and was quite pleased with himself and his surroundings. His appetite for the good things of the world, however, did not get satiated or become blunted but increased and sharpened in proportion to his success. The demand on Gopala Rao for loans increased as his business kept on expanding. This in its turn necessitated larger capital which meant larger borrowing. Sri Appiah Naidu, unwilling at that time to advance or risk further money with Gopala Rao, sent him with a recommendation to Mr. Rebello, who was then the Manager of the Minerva Mills. Mr. Rebello was quite pleased with the proposition put before him by Gopala Rao and agreed to advance money. The activities of Gopala Rao increased further and more money had therefore to be found. Rebello, like Appiah Naidu, did not wish to place all the eggs he had in one and the same basket. He therefore adopted the method of Appiah Naidu and gave a recommendation to his friend Dr. D'Costa who advanced to Gopala Rao the money required by him. The chain of lenders thus kept on expanding and all the while Gopala Rao took good care to see that his financial commitments, particularly the payment of interest to his creditors on the due date, were honoured promptly and with clock-like regularity. This, in its turn, greatly enhanced his credit and made his creditors to trust him implicitly.

Effects of War on the Business of Gopala Rao.—

The enormous increase of money in circulation, which followed the declaration of war, had a profound effect on money-lending business. The rate of interest slumped and money became cheap. The marked decrease in the number of persons unemployed and the sharp increase of wages, particularly of those in the lower grades of employment, which characterized the war years, resulted in a gradual and progressive reduction in the number of the needy clerks who went for loans to Gopala Rao. His earnings by way of commission or margin on the loans to the poor clerks declined sharply. He began to fear that his credit, which had been built so carefully and which, to a very large extent, depended on the regularity of payment of interest to his creditors on the due dates, may be affected.

Advent of Dominick.—

It was at this juncture that Gopala Rao came in contact with Sri J. B. Dominick who, as will be seen hereafter, played an important part in his life and career. Dominick hailed from a respectable Roman Catholic family in the Civil Station. He had studied up to the Intermediate Class in the St. Joseph's College, Bangalore, and had been appointed a clerk in the Bangalore Bank, Ltd. He left the service of that Bank at or about the time it was compulsorily wound up by order of court to take up service as clerk in the local branch of the Imperial Bank. He joined the service of the Imperial Bank on 3rd July 1937 and was posted to work in the Bill Department under Gopala Rao. Dominick was then about 23 years of age and was still a bachelor. The spectacle of men of humbler origin and smaller resources earning large sums of money during the war years was not infrequent. Dominick, like many others, felt impelled to emulate their example and try his luck.

Dominick, who worked in the Bill Department under Gopala Rao, did not fail to notice the money-lending business of Gopala Rao which yielded him very much more income than his job in the Bank. Dominick was an intelligent man and was quick to find out the ways and means adopted by Gopala Rao in the conduct of his business. Dominick, inspired by the success of Gopala Rao in his business, followed the footsteps of his boss and took to money-lending on the same lines as Gopala Rao and, like Gopala Rao, got a good taste of easy money. He also, like Gopala Rao, soon came face to face with the problem of paying high rates of interest demanded by his investors to keep the flow of capital into his hands when the number of persons, who were willing to borrow at higher rates of interest, declined. The evidence in the case shows that Dominick lent a substantial portion of the money deposited with him for interest to Gopala Rao at a higher rate of interest than what he had to pay to his creditors. Gopala Rao and Dominick, animated by the common desire to get rich quick and faced with the common problem of continuing their business, naturally came closer to each other. They both had begun to look upon money as their God and how to make it as their religion. Their common desire, common ideals, common methods of business and common problems made them good friends. They felt that it would be advantageous to both if they pooled their resources and resourcefulness for improving and developing their business. They realised that in union lay their strength and accordingly agreed to join hands to overcome the difficulties that faced them.

Look out for Fresh Field.—

Gopala Rao and Dominick were on the look out to find out new fields for investment but found it difficult. The number of persons, who were eager to lend at high rates of interest, increased in proportion to the reduction of the Bank rate of interest and of the number of persons who were in need of money. They were anxious and determined to keep the flow of capital into their hands at any cost and if possible to increase it but were faced with the problem of paying the high rates of interest expected and demanded by the investors. At this juncture, the production of consumer goods, particularly foodstuffs, decreased as a result of war. Reduction in production brought about maldistribution necessitating rationing and controls and these brought in their wake black-marketeers and hoarders who amassed enormous riches by anti-social acts and questionable methods. The ranks of the new rich swelled with the increase of war contracts. The advent of black-marketeers, hoarders and war contractors paved the way for a sharp deterioration in the morale, integrity and honesty of a section of the public services, with the result that a body of undesirable and corrupt officials made their appearance on the scene. Gopala Rao and Dominick, who had been watching the changing and changed circumstances, realised that it was no longer useful or possible for them to base or confine their operations on the poor as their number had rapidly decreased. They had however noticed that, as the number of those in need of money decreased, the numbers of those who were ruled by greed increased. They knew enough of human nature not to be aware of the fact that greed was as potent as need in goading men into unconscionable and even illegal deals. They therefore decided to shift their attention from the needy to the greedy for the continuance and furtherance of their business.

Joint Action and its necessity.—

Gopala Rao and Dominick put their heads together, deliberated carefully and decided upon a common plan of action to achieve their objectives. The fact that both of them resigned their respective jobs in the Bank at or about the same time and the order of their resignation make this position fairly clear. The deed of partnership marked Exhibit 206 set out at length in the later part of the Report is clear proof of the joint action and interest of B. N. Gopala Rao and Dominick in the 'Business' which has since come to be known as "Sri Gopala Rao's Business". The details relating to the conduct of the business, the similarity of the methods adopted for the furtherance of the business, which will be referred to hereafter, further bring home the fact that Gopala Rao and Dominick acted together as one man in the business. They realised fairly early that their service in the Bank, though helpful to them in many ways, prevented them from devoting their full time and attention to their business which, as already pointed out, was very much more lucrative than their jobs in the Bank. They therefore decided that, in the interests of both, one of them should quit the service of the Bank and devote his full time and attention on their business while the other should continue his service in the Bank so that the assistance of the Bank officials could be ensured and availed of for augmenting their business. They had, as already pointed out, come to an agreement to pool their resources and resourcefulness for the improvement of their Business. They had decided that they should at any cost preserve their credit and increase the flow of capital into their hands and for this end they strained all their skill, ability and resourcefulness. They were aware that black-marketeers, hoarders and war contractors had earned and were earning enormous amount of money which they could not and did not bring into their regular accounts, much less mention in their Income-tax Returns. They instinctively felt that these vampires could be easily exploited. They knew that this class of the new rich felt diffident to invest their money in the Banks lest their enormous gains should be discovered by the Income-tax Department and taxed. They also knew that they could not, for the same reason, invest their money openly in any business and would therefore be in a good mood to consider the business proposals of Gopala Rao and Dominick, as it was based and conducted on strict secrecy.

Reconnaissance.—

They were confident that their business was capable of great expansion but knew that such expansion demanded their entire energy. They however felt it prudent to first get an idea about the feasibility of putting into effect the possibilities they had been thinking and planning before both of them tendered their resignations to their jobs in the Imperial Bank. They agreed that the presence of Gopala Rao in the Bank would be more beneficial to the expansion of the 'Business', for his influence was admittedly more potent than that of Dominick among the Bank officials. They also agreed that Dominick, who occupied a lower position and drew a smaller salary, should first quit the services of the Bank and devote his full time and attention to probe into the possibility of the business they had been contemplating. Dominick accordingly resigned his job in the Imperial Bank on 31st August 1939 (about four months prior to the date of the resignation of Gopala Rao) and started the business of a share-broker in the South Parade, one of the most important business centres of the Civil and Military Station, under the imposing and captivating name of 'The Imperial Investor'.

Plans and Methods.—

The evidence and the circumstances of the case indicate that Gopala Rao and Dominick jointly chalked out plans and methods for the expansion of the 'Business' prior to their decision to resign from the Bank. They had known that black-marketeers, war contractors and corrupt officials had with them large sums of money which they had to keep idle for fear of exposure. They knew that the heavy rate of Income-tax, Super-tax and Excess Profits Tax—which, in the case of those persons who had an income of over a lakh of rupees, amounted to nearly 15 annas in the rupee, had deterred them from depositing their money in the Banks or invest it in any business. Gopala Rao and Dominick instinctively felt that these money-mad people could be induced to part with their money by the lure of the promise of heavy rates of interest, the more so if they were assured that their transactions with them will be kept a close secret. Both Gopala Rao and Dominick knew full well that it was not possible for them to invest profitably the money borrowed by them at such high rates of interest in any lawful business, for they knew that almost all commercial transactions had, at the time, been controlled by the Government. They were, however, determined to see that, somehow or other by fair means or foul, money poured continuously into their hands and this they knew was possible only by offering high rates of interest to their would-be creditors. They therefore decided once for all to abandon the idea of paying interest on the money borrowed by them from out of the profits of any business, as no lawful business was at the time capable of yielding such huge profits. They agreed amongst themselves to lull the depositors into a sense of safety by paying the promised rate of interest month by month with clock-like regularity and, if necessary, in advance by resorting to the simple device of paying the interest they had promised from out of the capital they had secured by the lure of the promise of high rates of interest. They knew that no one would deposit with them money for interest, unless they felt convinced that Dominick and Gopala Rao carried on a very lucrative business which yielded them enormous profits from out of which they could pay the high rate of interest they had stipulated. It was apparently for the purpose of inducing this belief that they executed a Partnership Deed and made veiled references in it to an imposing array of businesses which they professed to be carrying on successfully. The terms of the Partnership Deed and the language employed are interesting and read as follows :—

> "Most of the Business in Bangalore consists of Imports. Money is advanced to wholesale merchants as against the security of Railway Receipts for goods imported by them

against indents from other retail merchants. The advance made by us is concerned with the very necessities of life, *e.g.*, Rice, Dhal, Ragi and Oils. Our business is neither concerned with luxury articles nor foreign goods.

Precautions taken against risks.

(1) The clients are thoroughly well-known to us for the past ten years. Our service in the Imperial Bank of India for the 12 years has enabled us to know intimately the means standing and respectability of our clients. All new clients are thoroughly investigated for about six months before any transactions are made with them.

(2) The advances are for short periods mostly for a week, which period is considered sufficient by our clients.

(3) No advances are made without the security of the Railway Receipts, and in all cases as an additional precautionary measure the amount advanced will not exceed 80 per cent of the value of the goods.

(4) In this connection we may be permitted to say that during the last 12 years of our business there has not been a single instance of our clients failing to repay the advanced amounts. The amounts are generally advanced to respectable merchants of 40 or 50 years standing for genuine trade purposes only.

Our 12 years of business has resulted in a big profit not only to ourselves but to our investors as well. The extent of our success is surely a measure of the soundness of our business.

The business was started in the year 1929 with a small capital of Rs. 30,000. The actual amount in business to-day exceeds Rupees Seven lakhs and the profits distributed amount to Rupees Ten Lakhs, and there are certain investors who have earned their Capital over and again since they invested money in the business with us from the very beginning.

The advantages for investors are many in number :—

(1) The amount invested may be withdrawn with a short notice.

(2) Interest are paid regularly every month in advance.

(3) As our advances are mostly for short periods the investors can operate on their account in business just as a current with a Bank is operated. The investors in our business are from different activities in life, people with means, very good standing in life, and highly respectable, and satisfaction to the maximum to all such people is only possible if the business done is of a very safe and sound order.

Guarantees given by the partners in business to investors.

The usual procedure is that an On Demand Pronote for the invested amount is given signed by both partners, thus making them both liable for the invested amount, and one of them to give a post-dated cheque renewable every month on the due date when interest in advance will be paid. Should the investor withdraw the amount invested either fully or in part according to his convenience, the amounts in the cheque and in the pronote will be altered, or if the account is closed the pronote will be taken back after the full amount invested is returned and all accounts with the investor settled.

Signed by the Partners.

(Sd.). B. N. Gopala Rao,

(Sd.) J. B. Dominick."

After the execution of the Partnership Deed and even before, stories were put into circulation that Dominick and Gopala Rao advanced moneys to merchants in the Station and the City on the security of railway receipts sent to the Bank which the merchants had immediately to clear. It was given out that those merchants, who were hard up for money, secured advances from either Dominick or Gopala Rao for clearing the Railway Receipts on condition that, after clearing the receipts from the Bank, they should sell their merchandise and share the profits accruing therefrom with Dominick and Gopala Rao. The would-be depositors were told that Gopala Rao was able to roll the same money in this manner several times over among the different merchants each month and in that way earned huge profits from out of which he was able to pay high rates of interest to those who deposited moneys with them. They were told that Gopala Rao and Dominick, who conducted their business without the assistance of a number of officers and clerks, were in a better position to pay high rates of interest as their 'overhead charges', as they called it, were negligible. It must also be mentioned that Gopala Rao and Dominick were continually on the look-out to see how people amassed huge sums of money and as and when they came to know of any business or method of business which was reputed to yield huge profits, they put out stories that they also were engaged in that business.

Business in Foreign Liquors and Silks.—

Gopala Rao, when he became aware of the difficulty of the addicts to secure foreign liquors and of the exorbitant rates at which they bought them in the black-market, put out a story that he had made arrangements to purchase a shipload of whisky from Portugal which, he said, had arrived in the Port of Goa and gave out that he would be able to earn enormous profits by selling the same in retail in the black-market. He represented to his would-be customers that a huge amount of money was necessary for the purchase of a shipload of whisky and that, if money was advanced to him, he would not only pay them heavy rate of interest but share with them a portion of the profits. Likewise, when silk became a controlled commodity and prices of silk yarn and silk cloth soared high and were not easily available in the open market, he exploited the situation so created, with characteristic vigour by putting out a story that he had been appointed as the Agent of Kishenchand Chellaram, a well-known Firm of Silk Merchants, to purchase silk on their behalf. He then approached his customers for loans on the specious plea that he would make enormous profits in his trade in silks from out of which he will not only be able to pay a fixed rate of interest on the money borrowed by him but will also share with his depositors a portion of his profits. Similarly, when the Hindustan Aircraft, Ltd., advertised the sale of surplus aluminium stock, he put out the same plausible story and traded on the credulity of the people to collect money.

Assurance of Secrecy.—

Gopala Rao and Dominick told their would-be investors that they would keep the transactions a close secret. They pointed out that, for that purpose, it was not only necessary to conduct their transactions through the medium of dated, undated or post-dated bearer self-cheques but to see that their transactions were neither referred to nor entered in their books of account. The payment of interest and the repayment of even the principal were done almost entirely through the medium of bearer self-cheques or cash thus making it clear to the investors that no one would be in a position to find out their transactions with them. They gave out that the conduct of business through the medium of bearer cheques would also enable the investors to cash in their cheques at any time without recourse to court. An impression was created that Gopala Rao, out of the largeness of his heart, was more eager to help others than help himself, as the bitter experiences of a life of penury in his earlier days were still green in his memory. It was also made to appear that Gopala Rao conducted his business on a co-operative basis with his creditors as, according to him, it was they who made it possible for him to carry on his business by placing their moneys at his disposal and that therefore they had a moral, though not a legal, right to get a portion at least of the profits earned by him in his business. They made use of their close associates for this purpose by inducing them to write letters eulogizing Gopala Rao on his unique methods of business and his service to the poor people. These letters were next shown to the would-be investors to induce them to deposit moneys with him. Gopala Rao even went to the length of prevailing upon a Professor of Philosophy, Sri Venkata Rao, to resign his post and take up service under him for preparing the drafts of the letters intended to be written by his associates and customers to him.

Plausible Proofs.—

Gopala Rao and Dominick knew that their methods of business, particularly those relating to the sharing of the profits with their creditors who had lent money for interest, would appear queer for ready or easy acceptance. They had a feeling that their proposal to conduct a money-lending business through the medium of bearer, dated, undated or post-dated self-cheques in order to keep the transactions a close secret would strike their investors as somewhat strange. They had therefore to devise ways and means to convince their would-be investors with the practicality and correctness of their statements. The influence of Gopala Rao amongst the officials in the Imperial Bank and his own position therein came in handy and were pressed into service for inducing confidence and belief in the statements of Gopala Rao regarding his business and business methods. Several clerks of the Bank were indebted to Gopala Rao while several others had been benefited by him and quite a few among the officers had advanced him moneys at exorbitant rates of interest, which Gopala Rao paid with mechanical regularity. These officials and officers had been led or come to entertain an interest in, or identify themselves with, the business of Gopala Rao and were willing and even eager to prepare the would-be investors to accept and act on the statements of Gopala Rao. Gopala Rao knew that the conduct of the clerks in borrowing from him and the conduct of the officers in lending him money at exorbitant rates of interest were objectionable and not in keeping with the best traditions of service in the Imperial Bank. He had these clerks and officers, so to say, under his thumb and could, in a way, compel them to serve his interests and desires. The would-be investors, particularly those who seemed to doubt his stories, were either referred or of their own accord went to these officials and officers to verify the correctness of the statements of Gopala Rao and satisfy themselves about the safety of their money with Gopala Rao and his ability to repay the same on demand. The officials of the Imperial Bank who, as already pointed out, were indebted to Gopala Rao in diverse ways, removed the misgivings of the would-be investors and satisfied them about the safety of their money and convinced them of the lucrative nature of the businesses which Gopala Rao was supposed to be carrying on. The Bank officials repeated and reiterated the plausible statement of Gopala Rao that, when the Imperial Bank paid heavy dividends amounting to 16 per cent on the share capital after meeting the pay and bonus due to the several officers and clerks and that too after adding to the reserves a portion of its profits each year Gopala Rao, who carried on his business without the assistance of clerks or even a telephone, could very easily afford to pay a much higher rate of interest to his creditors. The explanations and assurances from the Bank officials were taken as if they had emanated from, and had been given on behalf of, the the Bank which, needless to say, commanded universal respect and confidence of the public as the Bankers to the Government of India. The investors were easily imposed upon by the Bank officials and officers on account of the position of vantage which they occupied as the servants of the Bank. It may also be mentioned here that some of the Bank officials and officers, who had dealings with Gopala Rao, made it their business to deflect even those, who wanted to deposit their money in the Bank, to Gopala Rao. The investors were told that Gopala Rao was as sound as the Bank in which they wanted to invest and that many shrewd and influential persons in the State had deposited their money with Gopala Rao and had benefited and continued to benefit themselves enormously. The recommendations and encomiums of the Bank officials, needless to say, had a telling effect on the would-be investors who naturally turned their backs on the Bank to go and invest their money with Gopala Rao. Each and every one of the Bank officials for this sordid disservice to the Institution, which fed and maintained them, was rewarded by Gopala Rao with a generous commission ranging from 1 to 3 per cent per month on all the investments which reached him through them. Gopala Rao had thus managed to make use of several of the clerks and a few of the officers of the Imperial Bank as his canvassing agents on a commission basis. The need for fresh capital, which meant increased borrowing, increased like the earth's pull with every deposit received by Gopala Rao. The rate of interest on deposits and the rate of commission to the canvassing agents had to be and was continually increased to attract more and more fresh deposits. It will be interesting to note that several large creditors of Gopal Rao whose deposits with him were counted in lakhs had to be paid interest at the rate of 250 per cent per annum calculated on the basis of weekly rates for over a period of six months or more prior to the Crash in order to keep the 'Business of Gopala Rao' going in addition to a commission of 12 to 48 per cent per annum paid to agents. The methods adopted to make the officials of the Imperial Bank work as the canvassing agents of Gopala Rao were gradually extended to the clerks and officers of the Mysore Bank and later to the clerks and officers of the Central Bank. It may be mentioned here that Gopala Rao sometimes refused to accept money from those who paused to make enquiries about his business and at other times spurned those who went direct to him with their money saying that he did not want to touch the money of those that had any doubts about his business or deal with those whom he did not know or who were not properly introduced to him. He resorted to these tactics in order to create a belief that he was not in need of money and that he accepted money from his investors more with a view to help them rather than help himself. The trick appears to have worked very well as is seen from the results. This pose was stressed and circulated by his co-adjutors and their close friends with a view to increase the respect for, and confidence in, Gopala Rao in order to attract more and more capital from the public.

Gopala Rao was aware that trade in controlled goods, particularly in liquors was restricted to those who had licenses or permits from the Government. He knew that permits and licenses to trade in controlled goods were normally issued only to those who had already been trading in the particular commodity for the trade of which license or permit was requested from the Government. Gopala Rao had never traded either in silks or in foreign liquors and could not therefore expect a license as a matter of routine. He had therefore to devise ways and means to make his story regarding the purchase and sale of a shipload of whisky look probable before he could approach his would-be investors for money on the pretext of his trade in that commodity.

THE GOOD OFFICES OF A DEPUTY CONTROLLER AND AN ACCOUNTANT-GENERAL OF THE GOVERNMENT OF INDIA.

Sri P. H. Krishna Rao, at present a Minister for the State of Hyderabad, and a near relative of Gopala Rao, was at that time the Deputy Controller of Textiles under the Government of India at Bombay. This gentleman had been in the habit of borrowing money at favourable rates of interest from Gopala Rao prior to his appointment as Deputy Controller and after his appointment to that office, had deposited a considerable amount of money with Gopala Rao at an exorbitant rate of interest. His brother Sri Seshagiri Rao, who at the time was an Accountant-General under the Government of India, is said to have given a letter to Gopala Rao stating that his business and accounts were conducted and maintained on sound and proper lines. The members of the family of these two gentlemen had also deposited moneys with Gopala Rao at high rates of interest. Gopala Rao felt that he could exploit his relationship with these two gentlemen and his business connections with them and the members of their family to his advantage in his effort to make the public believe that he was in a position to get over the laws relating to controls and trade in foreign liquors. He wrote to the Deputy Controller at Bombay about his intention, or rather decision, to buy a shipload of whisky at Goa and sought his assistance for its transit through Bombay and its disposal thereafter to Military Contractors and others. The letter of Gopala Rao was replied to by the Deputy Controller and in the correspondence between the two, mention was made of the name of one Rozario D'Souza who was said to be acting for Gopala Rao in the negotiations for the purchase of whisky. The following letter out of the several written by him or on his behalf and a copy of his telegram to Gopala Rao give some idea of the interest this officer (Sri P. H. Krishna Rao) evinced in B. N. Gopala Rao's Business :—

> " Dear Mr. Gopala Rao,
>
> I received your wire on Sunday and I could not send you reply early because Kitty was unable to see some people concerned in this matter. As soon as I received your wire on Sunday, I phoned Kitty. He told me to come and see him in his office and he would give a letter to the Vice-President. I went to the office on Monday, but Kitty would not get in touch with him as he was engaged in some meeting. Hence

> it was postponed. This morning Kitty had called him to his house, and we all had a talk for a long time, after which I sent a telegram worded by Kitty saying :—
>
> 'ACCEPT 150 C. I. F. GOA IF YOU CAN NO BETTER OFFER IN BOMBAY.'
>
> See Kitty's letter. Kitty wants you to accept the offer given by your friend Mr. Dominick of 150 C.I.F. Goa. This morning the Vice-President was saying that you have got to be very careful in dealing with these people and he was telling us about the bitter experience he had with these people. He said he was not interested in this business. He said that he would give us an offer of the same brand at C.I.F. Bombay at 112. He also told us that he has the invoice of the consignment and that the C.I.F. Goa is 58. You can judge for yourself how honest these people are. Please be careful, and I think the offer you have now is the best you can get without much risk but make sure that the Military Contractor won't back out. This business has been the talk of the town here.
>
> When do you intend coming over here. Myself and Mr. Krishnappa tried in two or three places for this business, but none of them seem to be anxious and they seem to know much more than what we do. Anyway I wish you success in your undertakings.
>
> We are all well here and trust this finds you and your family in excellent health and spirits. Kitty said he would write a detailed letter to you. Please write for all particulars and oblige.
>
> Yours affectionately,
> (Sd.) SUBBU,
> (*Bombay*, 23—5—45)".

Telegram from Sri P. H. Krishna Rao to Sri Gopala Rao—

> "YOUR GOING AWAY MONDAY INSTEAD WEDNESDAY HAS UPSET MATTERS STOP SUBBU SAID YOU HAD SECURED ORDER FOR 150 C.T.F. BOMBAY FROM MILITARY CONTRACTORS SO I TOOK NO FURTHER ACTION FOR SECURING ORDERS STOP PLEASE CONFIRM WHETHER YOU SECURED OFFER OR EXPECT ME TO DO SOMETHING BETTER OR WHETHER YOU HAVE NOT SECURED ANY ORDER AT ALL STOP DESOUZA FROM GOA VERY ANXIOUS AS HE HAS NOT BOOKED ANY ORDER STOP TRY BOOKING ORDERS BANGALORE CANTONMENT AND SECUNDERABAD AS BOMBAY MAY NOT REQUIRE ENTIRE STOCK STOP VERY NECESSARY YOU COME BOMBAY AFTER SECURING ORDERS IN BANGALORE AND SECUNDERABAD AND ARRANGING RAILWAY TRANSPORTATION FROM GOA TO THOSE PLACES.
>
> KITTY".

It must be noted here that Subbu *alias* P. S. Subba Rao is the son of the deceased elder brother of Sri P. H. Krishna Rao and lived with him at the time in Bombay and that 'Kitty' is the pet name of Sri P. H. Krishna Rao. All this correspondence had apparently been stage-managed by Gopala Rao for the purpose of using the same to convince his would-be investors that his representation regarding the purchase and sale of whisky from Goa was true and genuine. He pointed out that, in a retail sale of a shipload of whisky in the black market, he would earn enormous profits amounting to several lakhs of rupees from out of which he could easily pay not only the high rate of interest he had promised but also would be in a position to share a portion of the profits with his investors.

Gopala Rao also carried on correspondence with the said Deputy Controller regarding his plan for a trade in silks. He managed through the good offices of the same Deputy Controller to get an irrevocable Letter of Credit to be in force till 31st December 1945 for $2\frac{1}{2}$ lakhs of rupees from Sri Kishenchand Chellaram, a leading firm of silk merchants in South India, on the Canara Banking Corporation, Ltd., for purchasing silks for them in the State of Mysore. The letters between the two revealed that the Deputy Controller had decided to quit his job to take up service under Gopala Rao—a circumstance which gave a convincing touch of truth to the representations of Gopala Rao regarding his trade in silks and the profits he expected to make out of the same. The more relevant of the letters used by Gopala Rao to support his application for the grant of license to him for the purchase of silk and in impressing his would-be investors about his silk business are set out below :—

> "Letter dated Bombay 12th December 1945 from M/s. Kishenchand Chellaram, Importers, Exporters, Manufacturers, Silk, Cotton and General Marchants, to M/s. B. N. Gopala Rao and Co.

Dear Sirs,

This is to confirm our arrangements and we hereby authorise your firm to be our sole Purchasing Agents for pure silk yarn in Mysore. You may very well use this letter as a letter of authority either with the Government Department or with the Controller of silk yarn wherever you think necessary.

Yours faithfully,
For KISHENCHAND CHELLARAM,
Sd. ...."

(Along with this, a letter of credit for Rupees two and half lakhs was also sent).

(*Letter dated 4th November 1945, from Sri P. H. Krishna Rao, Bombay, to B. N. Gopala Rao*).

" My dear Gopal,

You perhaps received my letter in which I have requested you to see Mr. M. A. Srinivasan after fixing up a previous engagement with him. He writes that you have not so far seen him. You may credit my account in the Mysore Bank this month as I have to make some payments. As things stand here at present, I am certain of being here till the end of December 1945. My contract with the Government of India is till the end of February 1946. I may or may not stay on till then. I am also not yet sure if I will go to another Indian State then or to another job in Government of India. My terms for the former are Rs. 2,000 per mensem free of income-tax, free furnished bungalow and free motor car, for the latter Rs. 2,500 per mensem. I shall be available to you therefore at the end of December and February latest."

Yours sincerely,
Sd. KITTY,
(4—11—45)."

Sri M. A. Srinivasan referred to in this letter was at the time a Minister to the Government of Mysore. The interest evinced by Sri P. H. Krishna Rao, when he was the Deputy Controller of Textiles under the Government of India, in the silk business of Gopala Rao is also made clear in the following telegram sent by him to Gopala Rao :—

"PLEASE MEET NAVARATNA RAMA RAO SUBBARAMACHETTY ROAD BASAVANGUDI TOMORROW EVENING POSITIVELY ABOUT SILK.
KRISHNA RAO ".

The reply of B. N. Gopala Rao to this telegram and the letter of Sri P. H. Krishna Rao, dated 12th December 1945, to B. N. Gopala Rao extracted below makes the position yet more clear and is interesting reading :—

" My dear Kitty,

I am in receipt of your telegram of yesterday's date reading :—

'PLEASE MEET NAVARATNA RAMA RAO SUBBARAMA CHETTY ROAD BASAVANGUDI TOMORROW EVENING POSITIVELY ABOUT SILK'

for which I thank you.

I would advise that immediately on receipt of the above telegram I called on Mr. Rama Rao yesterday evening to talk about with him regarding silk business. As he was rather busy with a number of callers around him, it was arranged that we should meet again this evening to have a full and free discussion on the subject. I am leaving for Mr. Rama Rao's place, even as I am sending out this letter to post and hope to advise you of the outcome of my meeting with him as soon as possible. In the meanwhile, I should be very interested to know the result of your interviews with Messrs. E. 7. Ganapathi Iyer, Controller of Civil Supplies here, and Navarathna Rama Rao and if you have yet been able to procure for me the required export license. I shall, on my side, endeavour to obtain it through what little influence I have at my disposal. It is needless for me to assure you that I will spare no efforts to deserve the great confidence reposed in me by your friend or let pass no available opportunity to perpetuate the first favourable impression he has got of me. You will appreciate however being in a sense, rather new to the line, it will naturally take some time for me before I could pass on an appreciable quantity of business and I should be anxious to know the minimum time he can allow for the first consignment to reach him.

While I am in agreement with the proposals orally indicated by you, don't you think it were better that the terms and conditions upon which we agree to work are reduced to writing and an agreement accordingly prepared as soon as possible and signed, so that we might get to work almost immediately.

I herein enclose a letter addressed to Messrs. Kishenchand Chellaram and if you find it in order, you may kindly pass it on to them.

Yours sincerely,
Id. B. N. G.
(1—12—45)."

(Letter dated Bombay, 12th December 1945 from Sri P. H. Krishna Rao to B. N. Gopala Rao).

" My dear Gopal,

I have not heard from you again after your interview with Navarathna Rama Rao. I hope you have come to some agreement about the Silk Agency for Filature Silk. How far have you succeeded in securing the silk for the five firms I mentioned in Bombay. I handed over your letter to Kishenchand Chellaram. I am definitely leaving Bombay on 31st December 1945 and will be available for your work from January 1946. We will settle terms, etc., after I come.

Sd. KITTY.

I hope it is clearly understood that the silk business is a joint concern of you *and me. I am asking you to take the initiation as I cannot do it now. The sole Agency of Silk Yarn, etc., which should be developed after I retire will be a joint concern of you and me and Rama Rao and Krishnaswamy—ALL RAOS.*

Sd. KITTY."

The other relevant letters relating to the trade in silks between Sri P. H. Krishna Rao and Gopala Rao can be seen in the Appendix to this Report at pages 202—209. The would-be investors, who were shown the correspondence relating to the letter of credit, the arrangement and decision of the Deputy Controller to join the silk business of Gopala Rao, the correspondence relating to the grant of license with the Government, were convinced that the representations of Gopala Rao regarding his trade in silk were true. It was a matter of common knowledge at the time that silk was being bought and sold in the black market at enormous profits and the would-be investors therefore believed that Gopala Rao would be in a position to pay easily the exorbitant rates of interest he promised them on their deposits. The recommendatory letter of an Accountant-General (still in the service of the Government) regarding the soundness of the business conducted by Gopola Rao went a long way to set at rest the lingering doubts of investors who thereafter poured their money into the hands of Gopala Rao. The services of the Bank officials, officers of the Government and the business people were thus utilised by Gopala Rao and Dominick to boost their business in order to keep it going.

Methods of Advertisement and Propaganda.—

Gopala Rao does not appear to have believed in the efficacy of advertisement through the normal channels, *i.e.*, through the medium of newspapers and other well-known methods. In fact he had an aversion to, and professed an abhorrence of, such forms of advertisements; but this should not be taken to mean that he was either unaware or unmindful of the benefits of effective advertisements for the furtherance and promotion of his business. He had his own ideas about the methods of advertisement and evolved a scheme suited to his peculiar genius and in consonance with his professions of sympathy and assistance to the poor. He had, as already pointed out in the earlier part of this Report, decoyed an Assistant Professor of Philosophy, Sri M. A. Venkata Rao (brother-in-law of Sri P. H. Krishna Rao, Deputy Controller of Textiles to the Government of India), for service under him and enjoined on him the duty of preparing drafts of letters according to his instructions which he got written or copied by those who were in league with him or whom he had benefited or about to benefit. The fact that Sri Gopala Rao, who did not think it useful or necessary to employ clerks and maintain accounts, felt it necessary to secure the services of an Assistant Professor to prepare the drafts of letters and testimonials to be written by his customers to himself (Gopala Rao) shows clearly that he greatly valued the efficacy of effective advertisement for the promotion of his business. The letters extolled and eulogized the much advertised sympathies of Gopala Rao for the poor and his methods of business and the great benefits he had conferred on his customers. These letters were kept in files and shown by Gopala Rao to the would-be investors who were introduced to him by his agents with a view to impress them about the soundness of his business and the safety of their money. Three of the several letters extracted below will probably better illustrate the point. (Many other similar letters from other associates of Gopala Rao can be seen in the Appendix to this Report at pages 152—199).

(*Letter dated 20th July 1944, from J. B. Dominick to Gopala Rao*).

"My dear Gopala Rao,

I am addressing this letter to you on behalf of my friends and myself, who have been immeasurably benefited by you.

Our business contact with you these years has been one of very rare luck. Our gains have been enormous. Their enormity is confounding.

By the spell of your business method all our dreams have come true; the castles we were building in those early days have taken form and descended to earth. What we had not imagined could ever be ours in this life, is now ours.

May God bless you. In ability to give, you stand out as a distinct type by yourself. We cannot name another.

By a unique technique you have enabled business into charity, and business gains into gifts. You give us, what nobody else could give, has given, or will ever give. Your boundless ability to give is very astounding.

You have carried lasting joy and peace into dozens of families of whom we are only a part. You stand for ever enshrined in our hearts.

Frankly the weight of your help to us is crushing beyond a point, that even gifts become a distress. We therefore beg to be relieved of a part of this load. It will definitely add to our inner comfort, if you will kindly accept back from us a part of what you have given us.

We too wish to have a little of that joy of giving. Therefore we hereby present you a cheque for ONE LAKH OF RUPEES covering a token of present from all my friends and myself. In fact we are giving back a little of your own money but the joy to us consists in seeing you accept it.

There is not a sweeter thing than home, so it is our ardent desire that you should buy a house with this humble purse. You singly have made homes for all of us; we together wish to make one for you.

With a fervent prayer to God that He may be pleased to give the full measure of HIS GRACE, we very gratefully present you this purse.

I am,
Yours very gratefully,
Sd. J. B. DOMINICK".

(*Letter dated 1st January 1942, from C. V. Rebello to B. N. Gopala Rao*).

"My dear Gopal,

To-day is New Year's Day. Comparing my position to-day with what it was 8 years ago, when I commenced business relations with you, I can hardly believe the difference of atmosphere. The original capital I put into your business, has grown many times over, incredible and dreamlike as it may appear, the element of risk has been completely outgrown, as my present outstanding with you is only a portion of the profits accumulated in these marvellous years. I can find no words to express what I feel about your wonderful ability and integrity. As a very small token of my sincere appreciation of your noble character and personality, a rare compound of financial acumen and depth of affection, I request you to accept this Dinner plate as a New Year present and wish you a happy and prosperous New Year.

May God bless you and your dear ones with long life and prosperity and then enable you also to extend your services to so many more deserving and suffering people.

Yours affectionately,
Sd. C. V. REBELLO '.

(*Letter dated Bangalore, 5th January 1942, from Dr. Carlos F. Da Costa to B. N. Gopala Rao.*)

"My dear Gopala Rao,

It is now three years since I started business with you through the very kind introduction by my friend Mr. C. V. Rebello. At first, when Mr. Rebello explained to me of your business, and the returns you were giving to your depositors, it made me think twice before I could launch out on a big scale.

You must have noticed that in the beginning I started with a very small capital and gradually increased it to a fabulous figure which you and I alone know. I did not do this for mere fun, but let me, Gopala Rao, now confess that I tested you in every possible way and I can now assure anyone that to do business with you is most paying and least risky.

I have already received in the shape of profits a substantial part of my present deposit and in the not distant future, I would be able to say that all the monies with you represent profits.

If any persons feel shy in starting business with you, you may direct them to me and you may rest assured that the practical experience I have had with you, put before them, will certainly convince them of your integrity, honesty, businesslike ways with your clients.

You know I have introduced to you so many of my friends and if I was not cent per cent confident of your business I would not have asked them to deposit unlimited funds with you. You have not only made me and my family happy but also all my friends whom I had introduced to you. I may here add that if I am a happy man to-day, it is due mostly to my business connections with you.

Accept therefore my family's and my own grateful thanks and as a token of gratitude I enclose a gold necklace set in pearls and emeralds from my wife to Mrs. Gopala Rao.

May God's blessings always be with you and your family.

Yours very sincerely,
Sd. C. F. DA COSTA".

Donation to Charities.—

Gopala Rao adopted yet another subtle method of advertisement to impress the intending depositors. He took on the role of a philanthropist who had unostentatiously donated several lakhs of rupees for charities for the promotion of the well-being of the sick and needy. He kept with him a list of donations—true and false—to charities and managed to dangle the same in a very casual manner before his would-be customers. He did not himself mention or refer to any of the charities in the list but manoeuvred the conversation in such a way that an opportunity was created which necessitated his listener to refer to the list and then in a very casual and indifferent way he brandished the list adding that it referred to only a few of his many contributions to charity. He took great care to impress on his customers his innate desire to shun publicity and avoid all forms of praise. This poser, needless to say, went a long way in capturing the imagination and good opinion of the unwary and the gullible. The following list written in his own hand and carelessly allowed to remain in the bundle of testimonials and letters specifically meant for display amongst his would-be customers will bear out this clever and novel method of advertisement :—

(*Manuscript in the handwriting of B. N. Gopala Rao in Self File under date 16th December 1946.*)

"List of Charities.—

			Rs.	
1.	Vani Vilas Hospital	...	50,000	
2.	Bangalore High School	...	40,000	
3.	Seshadripuram High School	...	5,000	
4.	St. Martha's Hospital	...	1,000	plus Rs. 25 p.m. life-long.
5.	Good Shepherd Convent	...	1,000	and Rs. 25 p.m. life-long.
6.	Bhagini Seva Samaja (Mysore)	...	1,000	
7.	Sri Gururaja Association (Our Guru's Temple)	...	1,000	
8.	Acharya Pathasala Association, Basavangudi	...	1,501	

		Rs.	
9.	All-Mysore Brahmana Mahasabha for Poor Students' Hostel ...	200	p.m.
10.	His late Highness Sir Sri Kanteerava Narasimharaja Wadiyar Memorial Fund ...	5,001	
11.	Adijambava Hostel ...	25	p.m. life-long.
12.	Asaktha Poshaka Sabha ...	300	
13.	St. Philomena's College, Mysore ...	5,000	
14.	Tuberculosis Hospital, Yeswanthapur ...	10,000	
15.	Redemptorist Fathers, Fraser Town, Bangalore ...	5,000	
16.	Seva Sadan, Malleswaram ...	1,000	
17.	Anti-Tuberculosis Ex-Patients' Colony ...	1,000	
18.	'Sri Krishna Temple', Udupi, for Copper Plate roofing ...	5,000	
19.	Gayana Samaja ...	1,000	and Rs. 575 p.m. life-long.
20.	Kasturba Memorial Fund—Promised for Poor Students' Hostel ...	2,001	
21.	Harijans Middle School, Tumkur ...	1,000	
22.	Malleswaram Maternity Hospital in sweet memory of my friend late C. V. Rebello ...	10,000	
			Total Rs. 2,06,000".

Appended to the list referred to above and in the same file were the letters of thanks and appreciation written by the recipients of the donations and subscriptions which put the seal of proof and approval about the contents of the list. These letters could not be missed by even the most casual reader and the talk went round that Sri Gopala Rao was a prince amongst philanthropists and that every good cause was assured of his generous help and encouragement. A few of the many such letters recovered from the house of Gopala Rao are extracted below which will impress any one about the catholicity of his views and show that he made no distinction of race, creed or colour in the conduct of his business:—

(*Letter dated Bangalore, 30th December 1944, from Sir T. Thumboo Chetty to B. N. Gopala Rao.*)

" Dear Mr. Gopala Rao,

It gives me great pleasure to express my appreciation of your generous donation to the Maternity Hospital. Charitable deeds are neither lost nor forgotten. God will reward you tenfold for your generosity and goodness and bless your family with every happiness and prosperity and long life.

Yours sincerely,
Sd. T. THUMBOO CHETTY ".

(*Letter dated Bangalore, 8th June 1944, from the Chief Scout Commissioner to B. N. Gopala Rao.*)

" Dear Sir,

I acknowledge with grateful thanks, your kind cheque for Rs. 5,001 being your munificent donation towards 'His late Highness Sir Sri Kantirava Narasimharaja Wadiyar, Chief Scout of Mysore, Memorial Fund '.

With best regards,

Yours sincerely,
Sd. Y. V. KRISHNAMOORTHY,
Chief Scout Commissioner."

(*Letter dated 26th June 1944, from the Secretary, Acharya Pathasala Association, Bangalore City, to B. N. Gopala Rao.*)

" Sir,

On behalf of the Association Committee, I am acknowledging with gratitude for generous donation of Rs. 1,501 made towards the Building Fund of the Patasala.

A receipt for the same is sent herewith for favour of your kind reference.

With kind regards.

Yours faithfully,
Sd. M. ANANTHACHAR,
Secretary."

(*Letter dated 7th October 1944, from the Hon. Secretary, Asaktha Poshaka Sabha, Bangalore City, to B. N. Gopala Rao.*)

" Dear Sir,

I am glad to inform you that the inmates of the Sabha and the boys of the Orphanage were fed to-day out of Rs. 250 that you were good enough to make for that purpose.

The inmates are very grateful to you,

May God bless you.

Yours faithfully,
Sd. M. RAMACHANDRA RAO,
Hon. Secretary."

(*Letter dated 14th November 1944, from Rev. Mother Superior, St. Martha's Hospital, Bangalore City, to B. N. Gopala Rao.*)

" Dear Mr. Gopala Rao,

It was, indeed, a great and most pleasant surprise when Mrs. W. Pinto placed your handsome gift of Rs. 1,000 into my hands. I could not believe my eyes and turned the thousand-rupee note several times over to make sure it was not an illusion, as a receipt of such a contribution is not a frequent event here.

How can I thank you sufficiently for this your magnanimous charity. A noble idea like this, to help the poor sick, irrespective of caste and creed, could only come from a great humanitarian public-spirited mind, which merits our greatest admiration.

There are many other philanthropic Indian gentlemen, who like your good self, give large sums of money in charity, but to give it unostentatiously to a private Institution as you do, one does not meet with such benefactors often.

You may well guess how very welcome and appreciable your generous gift is and how deeply grateful we are to you, all the more so, since in present prevalent economic condition an Institution like ours must naturally suffer greatly.

It often is a harassing problem as how to meet daily expenses, in spite of practising the strictest economy, consistent with the best interests in the treatment of the hundreds of poor patients who flock to us day after day.

Were it not for the unpaid labour of our Sisters, whose life is solely devoted in the service of the poor and suffering and who live a most simple and inexpensive life, it would hardly be possible in these times of stress to maintain our works, financial help having now completely ceased to come to us from abroad.

Mrs. W. Pinto also tells me that apart from having donated Rs. 1,000 you propose to pay a monthly subscription of Rs. 25 towards our work amongst the poor patients. This is a most acceptable proposal, and we thank you very sincerely. Your name will be on the head of the Monthly Subscription Book, as your subscription is by far the largest one of the list.

All our Sisters join me in the expression of sincere gratitude for your benevolent help. Special prayers are offered up daily for our benefactors and we beg God to bestow very special blessings on you and on yours, and to protect you from all harm and grant you health and prosperity and long life.

It would be a great pleasure to show you round our hospital should you honour us with a visit. I am sure good Mr. Pinto would gladly bring you round.

Yours very gratefully,
* * *
REV. MOTHER SUPERIOR."

(*Letter dated 26th December 1944, from the President, Sri Gururaja Association, Bangalore City, to B. N. Gopala Rao.*)

" Dear Mr. Gopala Rao,

On behalf of the Members of the Association, I write to thank you once again for your kind and generous donation of Rs. 1,000. It gave me immense pleasure to receive the same. The putting up of religious buildings of the kind, we have undertaken, are only possible with the helping hand of the philanthropic gentlemen like your good self. I request you to kindly make it convenient to pay a visit on some Thursday to the puja at the Association premises. I thank you very much, once again, for your tangible help. May the Holy Sri Gururaj bless you and yours with long life, health and happiness, is my fervent prayer.

Yours sincerely,
Sd. C. HAYAVADANA RAO,
President."

"Blessed" Money.—

Gopala Rao evolved yet another method of impressing the would-be investors with the soundness of his business and the sincerity of his professions of assisting the poor and the needy. He got his close associates to say that they had presented Gopala Rao—their benefactor—with a tithe of the profits they were supposed to have earned from Gopala Rao under the grandiose appellation "Blessed Money" for the benefit of the wife and children of Gopala Rao. It was stated that these presents were voluntarily offered by the "satisfied customers" of Gopala Rao as a token of their gratitude and goodwill towards him. The fact of the presentation, the reasons for the presentation and the amount of the presentation were vividly set out in the letters written by the customers to Gopala Rao and kept by him in his files for the purpose of showing the same to his would-be investors who came to him either directly or through his agents. These letters make interesting reading and a few are extracted below. (The others can be seen in the Appendix to this Report at pages 157—194):—

(Letter dated 1st August 1944, from C. V. Rebello—corrections in the handwriting of B. N. Gopala Rao.)

"My dear friends,

For many months I have been turning over in my mind the sequence of events in the matter of our business with Mr. Gopala Rao. I felt at a loss to adequately express how much he has done to build up our prosperity and happiness.

I would like you all to recollect what life was to each one of you eight years ago, before you came to know Mr. Gopala Rao through me. I cannot but help thinking of this in my own case, thinking of how very much he has done for me. This help that he has extended to me, he has extended to you all. By his colossal service and sacrifice we have very few wants that we cannot satisfy and very few wishes that we cannot fulfil. It is so for us now and so it will be for our children.

Eight years ago through our friend I opened the door to fortune for you all. To-day I approach you once more to suggest to you how the fortune that you have thus earned can for all time remain yours; how in fact that this fortune may be blessed money that will always stay and multiply in your hands; money that will always give you happiness and to those who associate with you.

To me, Mr. Gopala Rao is the hand of God. I cannot reasonably expect greater kindness from any other human being than that I have received at his hands. I am certain that every one of you feels as I do. That is why I now address myself to you: to see if all of us could jointly show him, our benefactor, some tangible token of our gratitude. This token would not only do him honour, but would honour us too. I am sure that it will give him very great pleasure to receive such a gift, a gift that comes from the grateful hearts of peole whom he has served with hitherto unheard-of generosity. I am sure that he cannot experience greater happiness from his business profits that he will experience when he receives this small acknowledgment of great service rendered, coming from his satisfied clients. This gift will be treasured by him and bestowed by him upon his children as the only sure guarantee of their happiness. Offerings of Gratitude are his present wealth and legacy to his children and grand-children.

May I request each one of you to turn over this matter in your own minds as I have done. When you have done so you will, each one of you know in your hearts what it is that you have to do to ensure your own happiness.

I suggest that each one of you contribute your entire share towards this gift to Mr. Gopala Rao. I feel that we should give at least one-tenth of what we have received at his hands and give with a sincere feeling of gratitude. To give anything less or to give reluctantly, is worse than not giving anything at all. I hope that you are all of my way of thinking. You must have felt some time or other that he is not a mere money-making machine, but very much a human being with an active mind and heart. It is but natural in serving people he should be observant of any response, no matter how small, from them. I am sure that each one of you has shown this response in your individual ways. It is now the time for this individual response to coalesce and take tangible form. Mr. Gopala Rao will not live for ever—neither shall we. Let us act now.

Anything that we give must in most cases be the very money that he has given us. Very few of us had the privilege of being born rich. Most of us know what it is to struggle for a living, and shall not soon forget it. Even those who have not known this have sufficient cause to be for ever grateful to Mr. Gopal Rao, who has benefited rich and poor with an open heart.

Let us then who have freely received freely give. Let us show that we are not unworthy of his great labour and sacrifice. We cannot give in the same proportion as we have received but we can and should give in proportion to the fulness of our hearts.

I am contributing Rupees Seventy-five Thousand (Rs. 75,000). This has made me richer and happier for the giving. Mr. Gopala Rao has satisfied us all; let us all now join together and see if (we) it is possible with our united efforts to make him feel that he has not cast seeds on rock in vain. I await your replies anxiously.

Thanking you all in anticipation,

I am, Gentlemen,
Yours very sincerely,
(C. V. REBELLO)."

(Letter dated Bangalore, 10th August 1944, from Mr. C. F. De Souza to Mr. C. V. Rebello.)

" My dear Mr. Rebello,

Your Appeal sent through Vincent came as a God send. For sometime, I have been giving much thought as to how to repay in part at least the debt of gratitude I owe to our noble and selfless benefactor Mr. B. N. Gopala Rao.

Now that you have moved in the matter, let us all join in one united effort and unitedly recognize in the most fitting manner the good Mr. Gopala Rao has done for us. Mr. Gopala Rao is not an ordinary businessman. He is not merely a minting machine; he is a great soul with definite notions of service. Service to humanity is service to God. This idea permeates all to his actions. He hates no man, even those who have tried to harm. He is worthy to be called 'Mahatma'.

In union lies strength. Let us all be united in this one common object of honouring a really noble soul and doing so we shall feel happy in the reflected glory of one who is not only selfless but generous to a degree which others less selfless consider sinful and foolish.

Let us unite, though we may have our differences of opinion in other matters, to honour a man who not only deserves the honour, but who has earned it.

I do not believe that there is one among us, who can say that Mr. Gopala Rao has not served us well and truly. I do not believe that there is one among us who cannot feel the emotion of gratitude in his hearts for one who has done more for us than our kith and kin. In one respect at least we are all united in conceding that Mr. Gopala Rao has built our fortunes and has made our future free from fear and worry. As such, we as responsive human beings have to show in some way or other our gratitude to Mr. Gopala Rao.

Mr. Gopala Rao is not in need of our gratitude. He is above us in all respects, in generosity, unselfishness, in service and goodness of heart. He, from the time he came in contact with us, has been giving, and giving—we from the time we came in contact with him, have been taking and taking. Now a time has come, when it is our turn to give. I propose to contribute my mite towards the Fund which I would call GRATITUDE FUND. I wish to contribute as my humble contribution a sum of Rs. 10,000. I know that it is a poor return for the great service rendered but I hope Mr. Gopala Rao will accept the contribution in the spirit it is made.

Dear Mr. Rebello, I have some definite proposals to make as regards the way the presentation should be made. , Please let me know when it could be convenient to meet you so that we could personally discuss the matter.

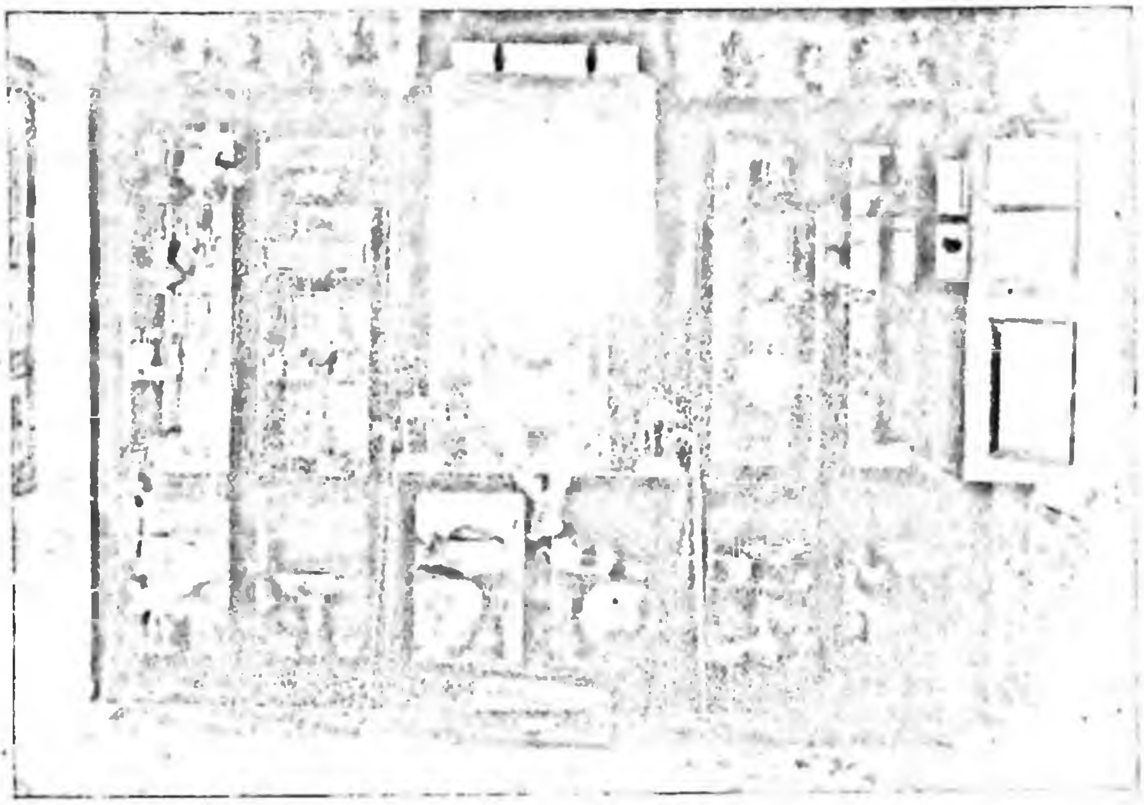
It is through you we received the benefits from Mr. Gopala Rao. I speak for myself here. And it would be fitting that we should honour Mr. Gopala Rao—a Rao through you. You cannot refuse the responsibility.

With best wishes,

Yours sincerely,
Sd. C. F. DE SOUZA."

Presents and Trophies.—

In addition to the Blessed Money secured by Gopala Rao in the manner abovenamed, he managed to get presents from his 'satisfied customers' in the shape of gold coins, caskets, jewels, silver articles, precious stones, etc., etc. The evidence discloses that Sir T. Thumboo Chetty, Private Secretary to His Highness the Maharaja of Mysore, presented a silver casket containing a sum of Rs. 75,000 with a letter recording his great appreciation of the business methods of Gopala Rao whom he described as a 'Financial Wizard'. The said letter could not be traced but the evidence of respectable witnesses prove beyond doubt that a letter to that effect had been placed in the hands of Gopala Rao. The casket presented by the members of Sir T. Thumboo Chetty's family was however seized by the Police and produced before the Committee. These presents were kept in showcases in his house for the purpose of display with a view to impress the would-be customers who went to him. The photo copy of the show-case is reproduced.



The rosewood show case was fitted with mirrors and reflectors to produce spectacular effect of the several articles of presents kept in the show case. The following four caskets and a tea set only are described for purposes of brevity :—

"1. ONE SILVER CASKET—rectangular in shape with a rosewood stand with inscription—

'Presented to Mr. B. N. Gopala Rao in token of friendship, esteem, gratitude and as an expression of admiration for the unique personality by FRANCIS THUMBOO CHETTY and members of his family and friends'.

2. ONE SILVER CASKET—rectangular in shape with a rosewood stand and inscription—

'From Mr. C. F. DE SOUZA, one of those who gratefully acknowledges enjoying the harvest 1st September 1944 and to one who laboured, toiled and sowed the seeds of fortune and happiness'.

3. ONE SILVER CASKET with inscription—

'*Dharmaratnakara* B. N. Gopala Rao (by Mr. V. O. UNGER and two others)'.

4. ONE SILVER CASKET—rectangular in shape with rosewood stand and Gajalakshmi Handle (gold gilted) with inscription—

'Presented to *Dharmaratnakara* B. N. Gopala Rao by the PUBLIC OF MANDYA on 29th November 1946'.

5. ONE SILVER TEA SET consisting of a Tea Pot, Milk Jug, Sugar Basin, and a rectangular Silver Tray with inscription—

'Presented to Mr. B. N. Gopala Rao on the occasion of the award of title *Dharmaratnakara* by His Highness the Maharaja of Mysore by S. SARVOTHAMA RAO in token of esteem, love and gratitude and as an expression of admiration of his unique personality 1946'."

Astrology and Occult Powers.—

Gopala Rao is an amateur Astrologer and a Palmist and gave the Committee an exhibition of his knowledge of these subjects. He is a believer in the usefulness and is quite aware of the determining influence of the exponents of these alleged sciences on the decisions of not only the confirmed gamblers on the turf and the stock exchanges but even on the decisions of hard-headed businessmen in pure business transactions. He must necessarily have felt that he would be failing in his duty to himself and his business if he did not press into service his special knowledge of this peculiar failing of human nature. His utilisation of astrologers for the promotion of his business is illustrated by the following letter written by Prahlada Rao, a nephew of Gopala Rao and a clerk in the Sugar Company at Mandya, who apparently had gone or been sent to Mr. De Costa under the guise of an astrologer to keep him within his net when apparently Gopala Rao came to entertain some doubts of De Costa withdrawing his money and getting away with it :—

"Respected Sir,

Let me introduce myself to you as the same palmist who examined your hand on the 11th December 1940 and I was so much surprised at the lines of your hand and that I did not give you a sufficient reading at that time. I am aware that I left rather abruptly. I am therefore writing this letter to justify myself and also to give my readings in writing so that it may be preserved in your safe custody so that as events occur you may be referring the following reading of mine. I have noted in my diary that I propose to meet you on 11th December 1942, probably, at about the same time when I shall give you further details regarding my identity.

It is clear that two years back the divine light is full upon you, if it is a fact that you have earned some substantial profit from 2½ years back. I want you to put this down clearly for *divine influence*. Continue this very same thing without turning this way or that as I told you personally sticking to it with all fervour and faith in *God* and if this is strictly observed there is no doubt that your capital (which is now 3 annas in a rupee) will be increased abnormally.

If the faith in *God* is rendered shaky by other advices and whenever you feel shaken make it a principle to visit the temple and consult the God for guidance. You better feel convinced that the *God* has taken you under his care just few years back on account of your infinite good actions in your previous birth which you have now begun to react. You were no ordinary man in your previous birth and you must have done infinite good to merit this favour of God in this life.

You seem to be anxious about your health which puts you now and then in somewhat anxious movements, on examinations of your lines. I am of opinion that the disease will gradually disappear. Another noteworthy feature of your hand is that you have a most devoted, virtuous, God-fearing wife.

Kindly note the following events :

(1) By the end of January 1941 increase of business and profits ;

(2) By the end of June 1941 purchase of properties by profits earned ;

(3) By the end of December 1941 income and profits at least be doubled ;

(4) Middle of 1942 purchase of some holdings ;

(5) and by the end of 1942, *i.e.*, the time I propose to meet you, you will be thinking of doing some charities to the public (your own house being full) when you feel that Rs. 200 will be treated much less than 4 annas which you offered to me now.

(6) If you wish to have further confirmation in the truthfulness of the above readings, you can kindly examine whether there is a mole on your private parts or neighbourhood of it.

All these readings will come out true provided you completely surrender yourself to the influence of *God* who is much more mindful and interested in your welfare and that you yourself and who has begun to wield this influence about 2½ years back against your free will and the only defect in your hand is that your mind is always oscillating this way and that.

I pray God for you all success in your life. I am leaving this station to some other place to-night and hope to meet you on that day ; till then my remuneration I consider is to be in the Savings Bank Account of the Imperial Bank of India.

Yours faithfully,
(Sd.) PRAHLAD,
(12th December 1940).

P.S.—Kindly keep this letter most private and confidential because I am afraid that the publicity of it will go a long way to mar the good effects, and as I told you personally you do not show your hand to others."

Faith in Palmistry and Astrology is but a stepping stone to the belief in the efficacy of occult powers and sciences. Gopala Rao, who had been the recipient of a present of a clock-wise conch (ಬಲಮುರಿ ಶಂಖ) from the Raja of Ramnad, appears to have made use of that conch for instilling a belief in the minds of his would-be investors that he had the assistance of mysterious and occult powers to support him in the conduct of his business.

The efficiency and effectiveness of the various methods employed by Sri Gopala Rao in the conduct of his business will probably be better appreciated and realised by the mention of the bald and somewhat prosaic fact that he, an ex-Bank Clerk on a salary Rs. 40 in 1940 collected a sum of over three crores of Rupees within the space of about 7 years from his customers amongst whom were included a Noble Prize Winner, an all-powerful Private Secretary to His Highness the Maharaja ; business magnates of the calibre of Chidambaram Chetty, highly-placed Government Officers including Mr. Veeraraja Urs, Financial Secretary, and Police Chiefs of the Government of Mysore and several Bank Officers including a few in the Imperial Bank of India, Mysore Bank, the Central Bank and the Reserve Bank of India.

Apprehensions and Arrangements.—

Gopala Rao and Dominick knew from the very beginning that their mad adventure of collecting money by the lure of heavy rates of interest which were paid out of borrowed capital, could not last long or indefinitely. They had, in fact, as pointed out in the first part of the Report, decided to stage a failure of their business in the early part of 1947 and presumably were preparing plans to enable them 'to get away with it'. They had strained their utmost and used all their skill and resources to keep their business going till the day appointed for staging the failure. They had managed to harness and utilise the good offices of several officials and officers of the local Banks and Government as also of some persons normally engaged in business to keep a flow of money continuously into their hands. Their hopes and attempts to keep their business going did not, however, lull them to a sense of security or blind them to the necessity of making arrangements to meet the difficulties and contingencies which they knew would arise if the business failed before the appointed day. They knew that the support of the highly placed officers of the Government, particularly of the officers of the Police Department would be of immense use to them in a crisis and were eager to secure the same. It was in this effort that Dominick made himself extremely useful. Dominick and Francis Thumboo Chetty had grown up as playmates and classmates and were very good pals. Francis Thumboo Chetty had married the daughter of the Private Secretary to His Highness the Maharaja of Mysore, but found it difficult to keep the good opinion of his wife and bask in the sunshine of her love for want of sufficient money. He began to fear that his poor finances may ultimately create a gulf between him and his wife. He therefore approached his classmate and friend, Mr. Dominick, and poured out to him his tale of troubles and sought his assistance to solve the problem that faced him. Dominick, apparently in consultation with Gopala Rao, decided to make use of this opportunity to devise ways and means to make use of the good opinion and assistance of the officers of Government to meet the difficulties incidental to the conduct of the business of the type carried on by them. They knew that at the time the Private Secretary to His Highness occupied a unique position and was looked upon as the *de facto* Government of the day. They decided to make use of his son-in-law as a decoy to get at and exploit the name and influence of the father-in-law as much to further their business as to use the same for resolving the difficulties that may chance to come their way. Dominick sympathised with the difficulties of his friend and promised him his full support. He knew that Francis Thumboo Chetty had no money and so asked him to make use of his position as the son-in-law of the Private Secretary to get people to deposit moneys with him (Dominick) and in return promised him (Francis Thumboo Chetty) a commission of 2 to 4 per cent per mensem on all the sums so deposited through him. The proposition was welcome to Francis Thumboo Chetty as it involved him in no risk. He used all his influence as the son-in-law of the all-powerful Private Secretary to induce persons to deposit money with Dominick and by that means earned enough and more to keep unimpaired the good opinion and respect of his wife. Francis Thumboo Chetty, encouraged by his phenomenal financial success, persuaded his father-in-law also to deposit moneys through him with Dominick and Gopala Rao and got both of them to pay without a murmur the exorbitant rates of interest demanded by him for the moneys so deposited. The evidence in the case indicates that there was a race between Dominick and Gopala Rao to keep Francis Thumboo Chetty in good humour by paying whatever rate of interest he demanded. The keen competition between Dominick and Gopala Rao is well illustrated by the extraordinary loan of Rs. 50,000 *without* interest alleged to have been advanced by Gopala Rao to Francis Thumboo Chetty to enable him to deposit the said amount with him (Gopala Rao) *for* interest at the rate of 72 per cent. The result of this deal will be better appreciated if it is stated that Francis Thumboo Chetty got a payment of Rs. 3,000 (seven times his salary) per month regularly till the date of his crash from Gopala Rao as a free gift. Francis Thumboo Chetty, whose income from the business of Gopala Rao amounted to Rs. 22,840 per month, naturally felt very much indebted to Dominick and Gopala Rao, so much so that he began to completely identify himself with the Business of Gopala Rao and Dominick. The evidence discloses that he played a very large part in the conduct and furtherance of the business of Gopala Rao and Dominick, so much so that it may not be inappropriate to describe him as a working partner in the Business. This identification of Francis Thumboo Chetty with the Business of Dominick and Gopala Rao enabled the latter to use the name and influence of the Private Secretary to His Highness the Maharaja for the furtherance of their nefarious business. The evidence in the case disclosed that officers of Government and aspirants to that service approached Gopala Rao with their deposits not merely to earn interest but also to earn his good opinion so that they could get him to secure for them the extraordinary influence of the Private Secretary to His Highness, to better their position. The enquiry revealed that some officers of the Government, who were about to be superannuated, secured extensions through the good offices of Gopala Rao with the Private Secretary, while some others obtained or sought to obtain preferments in their official career by the same means. These letters make interesting reading and a few of them are extracted below :—

(*Letter dated, Coorg, 20th October* 1945, *from D. Sivappa to B. N. Gopala Rao*).—

" Dear Mr. Gopala Rao,

I had approached you twice before at my aunt Mrs. Sakamma's bungalow asking you to help me into a job in Mysore State. You had kindly promised to speak on my behalf to Mr. Thumboo Chetty about the nomination into the Mysore Civil Service. I know that you will have not forgotten about it but this letter is just to remind you of that service I asked of you. Little that I would like to give you any trouble ; nevertheless you are the one person who can help me for which help I shall be ever grateful. One word from you is enough to secure me an appointment. The selection of candidates will take place probably in January, but do excuse me if I am over-anxious.

I hope you and your family are keeping well. With my respects and sincerest regards,

Yours sincerely,
Sd. D. SIVAPPA ".

(*Letter dated 4th August* 1946 *from H. R. Thippiah, District Survey Officer Shimoga, to B. N. Gopala Rao*).—

" Dear Sir,

I learn from one of the Local Papers that the nomination list has gone to Mysore. I was repeatedly writing to you regarding that, and I once again request you to speak to Mr. Thumboo Chetty through Phone in time (You had told me so personally in Bangalore) to select me in case my name is found in the list of nominations sent to Mysore by Government.

I request you to kindly base your recommendations on the particulars furnished below, so that favourable selection may be obtained. I do realise I am troubling you in the matter from a long time ; but I cannot help doing so, because there is nobody except you who could speak to the Private Secretary in my favour.

Particulars.—

(1) First Harijan candidate to pass M.A. of 1941.
(2) My case for nomination was not considered in 1943.
(3) I am youngest of those who are in service and who have applied for the post.
(4) Prospects in the Survey Department are limited and there is no scope to serve my community.

Thanking you Sir for the trouble,

Yours sincerely,
Sd. H. R. THIPPIAH ".

(*Letter dated 23rd November* 1945 *from Thelma F. to B. N. Gopala Rao*).—

" My dear Mr. Gopala Rao,

How are you, your wife and your children ? We sincerely hope that each and everyone of you are very well.

I am writing this letter to you to ask you to do us a great favour. Of late we have been hearing a great deal of rumours about demobilisation. We have at last settled down here and are very happy. I would not like my husband to leave this unit. You would be doing us a great favour if you would kindly write to Mr. Thumboo Chetty and ask him to see that my husband remains here always.

We would come to see you personally, but my husband cannot get leave at present and I am not able to travel.

Did you and your family come to Mysore for the Dasara Celebrations ? We were expecting to see you, but most probably you did not come.

My mother and the rest of the family were here with us for a few days. Now they have all gone to Bombay, except my brother Louis, who is alone at Cubbon Road.

Please convey our best wishes to your wife, and once again we hope that all your children are very well.

I will close now with our sincere best wishes to self.

Yours sincerely,
Sd. THELMA F ".

Karnataka State Archives, (13)
(Departmental Library)
Accession No. 20378
Date

(*Letter from K. Prahlada Rao, Mandya, to B. N. Gopala Rao.*)

My dear Gopala Kaka,

When I had been to Bangalore, your wife Sow. Lakshmi Bai informed me that you are in need of a palla of small rice. You know how diffcult it is to get rice. Anyway I have arranged for 1 palla of small rice to your house. The cost per palla is Rs. 50. The Jutkavala will bring in two consignments of 50, 50 seers. Jutka charges Rs. 1-8-0 per trip. As soon as you receive the first consignment of 50 seers kindly pay him Rs. 25 plus cart hire of Rs. 1-8-0. For another trip pay him again Rs. 25 plus Rs. 1-8-0.

Mr. A. A. Khan if he gets extension of 2 years there is every possibility of his doing some tangible business like Sole Agency for Sugar Co., Liquors, etc. So I request you to kindly put in a word in the High circles Mr. T. T. that you are interested in Mr. A. A. Khan. This recommendation is sufficient to get an extension.

Mr. K. Narayanaswamy will do all necessary help in Government circles. I have told him to be meeting you once a month or two.

Trusting in your ever kindness,

Yours affectionately,
Sd. K. PRAHLADA RAO,

P.S.—Regarding Mr. Fernandez *i.e.*, Son-in-law of late Mr. Rebello you need not worry. I have arranged.

Id. K.P.

Dominick and Gopala Rao, after making sure of their position with Francis Thumboo Chetty and the Private Secretary, concentrated their attention on securing the good feeling and support of the high ranking Police Officers of the State and of the Civil and Military Station, Bangalore. They managed to induce the more important of these officers to deposit moneys with them at exorbitant rates of interest thereby making themselves sure of their support and assistance. It will be interesting to note that successive Inspectors-General of Police in the State of Mysore, *viz.*, Janab Abdul Aziz Khan, Sri G. Sundara Rao and Sri C. M. H. Ranajodha Singh, deposited moneys with Gopala Rao in this manner, while the two Assistant Commissioners of Police of the Civil and Military Station, *viz.*, Messrs. Sarvottama Rao and Venkata Varadan, followed the example of their counterpart across the border. The evidence in the case shows that one of them, Sri Sarvottama Rao, went a step further to work as a commission agent within his jurisdiction to induce people including his subordinates to deposit moneys with Gopala Rao more or less on the same lines as Francis Thumboo Chetty. The evidence reveals that Janab Aziz Khan deposited money with Gopala Rao through a relative of the latter and immediately thereafter sought his assistance for securing the intervention of the Private Secretary to obtain for him an extension of service as the Chairman of the Mysore Sugar Company but later discovered that 'Quoran' had declared it 'Haram' to take interest, and so withdrew his deposit, as he was bound to being a pious Muslim ! The identification of Sarvottama Rao and Venkata Varadan with the business of Gopala Rao was responsible for stultifying the enquiry regarding the nature of the business of Gopala Rao ordered by Mr. Green, the then Commissioner of Police of the Civil and Military Station, Bangalore, just as the identification of Francis Thumboo Chetty with the business of Gopala Rao was responsible for the circumvention of the enquiry relating to the business of Gopala Rao taken up by Sri V. T. Srinivasan, the present Comptroller, under the orders of Sri Pulla Reddy, I.C.S., the then Finance Minister of Mysore. It is hardly necessary to add that, if the enquiry ordered and entrusted by Sri Pulla Reddy to Sri V. T. Srinivasan had been conducted in the manner suggested by that officer or in accordance with the usual procedure prescribed for such enquiries, the extent of the swindle and the enormity of its ravage would have been very much reduced and minimised (See page 76 in the Report relating to Francis Thumboo Chetty).

Gopala Rao and his associates, emboldened by the success in securing the assistance and support of the officers of the Government, felt that they could further strengthen their position if they could bring about circumstances which would enable them to make the public feel that they had the good opinion and support of even the Palace. They felt that such an impression in the minds of the public would go a long way to postpone, if not prevent, a premature failure of their business. They therefore set about to devise ways and means to achieve that end. They felt that, if they could manage to have a title conferred on Gopala Rao by H. H. the Maharaja of Mysore, the people would be very much impressed. They also thought that the award of a title would make it easier for them to collect moneys from the public who, they knew, greatly valued and respected the recognitions vouchsafed by their beloved Sovereign. The leading part in this matter appears to have been taken by Francis Thumboo Chetty and Dr. Miss M. C. Albuquerque whose letters make it clear that they attached great importance to it. They persisted in their attempts and eventually succeeded in inducing the Private Secretary to His Highness (father-in-law of Francis Thumboo Chetty) to see the matter through. The evidence in the case discloses that the recommendation for the grant of the title did not proceed through the normal channels nor was the subject considered or passed in any Cabinet meeting. The recommendation for the grant of the title to Gopala Rao appears to have proceeded direct from the Private Secretary to the Dewan and from the Dewan to His Highness. Gopala Rao, who had been kept informed of the arrangements that were being made to have a title conferred on him long prior to the recommendation to His Highness, made a pretence of making it appear that he did not want any title but nevertheless devoted lots of his time and thought to the description and designation of the title that he desired His Highness to confer on him—a factor which incidentally gives some idea of the extent of his influence at the time over the powers that counted. The letter of Gopala Rao to the then Private Secretary to His Highness the Maharaja, reproduced below, speaks for itself:—

> " Dear Sir,
>
> A whisper is going round that I am about to get a Title. Fiction or fact, this whisper has greatly distressed me. The hint of a Title is enough to frighten me. I dread to be overvalued.
>
> Not that I believe in the whisper; but lest it should, by any chance, prove true, I beseech you, Sir, graciously to let me alone. I beg for the greater and sweet grace of being forgotten.
>
> It may be that I am strangely constituted; but really I have an innate fear of publicity. I am ' born to blush unseen '. Noise is violence to my humble being. I love to remain unknown in my humble corner of this world.
>
> My birth has been humble; I have grown and thriven on want and obscurity. Let me not now be torn away from my old moorings. I dread to be dragged out and stared at.
>
> To be unknown and to be humble is my heritage. Humility is in my blood; simplicity is in my bones. To lose them is to lose the very essence of my being.
>
> It was God's will to fill these poor hands with plenty. What is more than I can hold cannot be mine. I am bidden to hold the extra in Trust for my less fortunate fellowmen. If I have, in any measure, added to the welfare and happiness of those who have suffered like me, well, it was out of HIS infinite kindness and grace. Let me not delude the public or myself to think that I have done it and forget that it is the poor that have laboured to fill these hands of mine. Are they not to take back what they have given? Should the vessel feel that what others have filled is its own? It is they who need to be returned; not me. Let me not take credit for paying back my dues.
>
> May I remain for ever, true to my God, King and Country. That he trusted me with this sacred responsibility and gave me the strength and opportunity to serve the poor has been by itself a great distinction and decoration and His choicest blessings on me, my family and my children and a source of a greatest satisfaction and joy for me.
>
> I, therefore, beseech you to leave me happy with this consciousness and not try to deprive me of this pleasure by conferring a return for having done my bare duty to my fellowmen.
>
> Yours sincerly."
>
> (1-1-45).

The grant of the Title of *Dharmaratnakara* ' OCEAN OF CHARITY ' went a long way to convince the public that Gopala Rao enjoyed the good opinion of His Highness the Maharaja of Mysore. The extent of its usefulness for the collection of money from the public can be gleaned from the letter of Mrs. Nayler to the Dewan extracted below:—

> " Sir,
>
> At the end of September this year I heard through an Agent of Mr. B. N. Gopala Rao of the wonderful investment that the latter offered that they were as safe as they were lucrative.

On the 2nd and 3rd of October I visited him with the object of investigating his claims adduced through his agent. He showed me a roomful of treasure. And he showed me the title of DHARMARATNAKARA which was conferred on him recently by the Maharaja of Mysore. He asked me by implication what better security could I demand or expect ? Of course it was not difficult for me to follow that the Maharaja must have carefully weighed everything and came to the conclusion that this man was definitely a benefactor of the people and gave away in charity money that was really his and not some one else's and considered the title ' OCEAN OF CHARITY ' a befitting one. After all charity does not mean giving away other people's property.

Therefore, I was persuaded by these facts to hand over to him by means of cheques the sum of Rs. 10,000 (which cheques he cashed on the 5th and 10th October). In return he gave me two post-dated cheques realizable on the 2nd and 3rd December and explained that I could cash those cheques on the due dates if I was not satisfied with the investment.

Not being satisfied with the investment, I endeavoured on my return from Madras to cash Mr. Gopala Rao's cheques on the 12th. The cheques have been returned to me dishonoured and I have now been given to understand that this titled citizen of the Mysore Government has been arrested by the Mysore Police on a charge of cheating. Surely, the Mysore Government by their action in bestowing such a title on a cheat have misled the public.

Please treat the matter as confidential.

Yours faithfully,
Sd. L. NAYLER
(16-12-46)."

Gopala Rao and his associates knew that the Senior Surgeon of the Women's Hospitals in Mysore, Dr. Miss Albuquerque had been treating the Palace ladies and had succeeded in worming herself into their confidence. They also knew that she not only had easy access to the Palace but, what was more important at the time, the ears of the all-powerful Private Secretary and the members of his family. Gopala Rao had secured the services of this Lady Doctor to treat his wife in hospital and thereafter had retained her as the Doctor for his wife and children. He rewarded her services generously and made her feel and consider herself as a good friend of his family. Gopala Rao later prevailed upon the Lady Doctor to invest her moneys with him and paid her exorbitant rates of interest. The Lady Doctor next became a canvassing agent of Gopala Rao and persuaded several of her subordinates, friends and patients including even purdanashin ladies like Mrs. Khasim, the sister of Lady Mirza Ismail, to deposit money with Gopala Rao. Gopala Rao next thought and felt that he could seek her good offices to inveigle the Palace ladies to deposit moneys with him by the usual lure of heavy rates of interest. The Lady Doctor, who had by that time become an energetic canvassing agent of Gopala Rao, saw the advantages likely to accrue therefrom for the collection of money and readily fell in with the idea of inducing the Palace ladies to deposit their moneys with Gopala Rao. She accordingly approached some of the more important ladies of the Royal House and put before them in an attractive and convincing manner the proposition relating to the business of Gopala Rao. The purdanashin ladies of the Palace were totally oblivious of the real nature and import of the business conducted by Gopala Rao and the intentions of their Medical Adviser. They were quite ignorant of her interest in, and connection with, the business of Gopala Rao and were therefore easily attracted by the prospect held out to them of earning high returns for their money. They accordingly yielded to the persuasions of their Doctor and deposited their moneys with Gopala Rao. Gopala Rao knew that mere deposit of money by the Palace ladies could not be of much use to him in creating a belief in the mind of the public that he had the good opinion and support of the Palace. He therefore went about mentioning that fact to his clientele with a view to have that fact made known to the public. He knew that the matter would receive greater and effective publicity if he could demonstrate that fact to the public in some tangible way. He therefore appears to have persuaded the Lady Doctor to see that, for the collection of interest, the Palace clerks or peons went to his house in Malleswaram in the cars bearing the emblem 'Ganda Berunda' of Mysore. The appearance of the Palace cars near the house of Gopala Rao afforded him an excellent opportunity to make the people aware of the fact that he had dealings with the people in the Palace and to make them think that he was in a position to secure the support of the Palace in a contingency. The news of the Palace cars standing near the house of Gopala Rao, needless to say, got abroad all over the Town and even beyond. This, as already pointed out, not only gave an unmerited fillip to the business of Gopala Rao but had a very deterring effect on the officers of the Government and the public who necessarily hesitated a great deal before probing into or discussing the business of Gopala Rao, much less to expose him. The hesitancy and dilatoriness of the authorities regarding the conduct of the criminal cases against Gopala Rao and the rapidity of the proceedings in the Insolvency Courts referred to in the first portion of the Report were, in the opinion of the Committee, due in some measure at least to this impression which, needless to say, was totally and entirely without foundation. It must be mentioned here that the accounts clearly reveal that all those depositors who were in any way related to the Royal House have lost a substantial portion of their money as a result of their transactions with Gopala Rao—a circumstance which will convince any one that they were victimised and exploited. The extraordinary interest evinced by Dr. Miss M. C. Albuquerque in the business of Gopala Rao taken in juxtaposition with the proved fact that she hurriedly left Bangalore in a jeep to Goa just before the Crash became public and at or about the time when it was first whispered among the closest associates of Gopala Rao that a cheque issued by him had been dishonoured by the Bank, coupled with the admitted fact that Dr. Albuquerque opened a locker in the Mysore Bank even though she had been keeping two lockers for herself for a long time in the Imperial Bank of India and her hurried return from Goa to Bangalore after the Crash is very significant. Even more significant is the fact that she closed the locker in the Mysore Bank just prior to her departure to Goa. The Committee have a feeling that there may be much more than meets the eye in these circumstances and that the matter deserves further probing.

Roping in of the good name of the Roman Catholic Clergy—

Dominick, as already pointed out, belonged to a respectable Roman Catholic family in the Civil and Military Station, Bangalore. He was well-known amongst the local Catholic Clergy and commanded the good opinion and confidence of several priests. He felt that deposits from the public, particularly from the Roman Catholic public, could be easily secured, if the Priests, who had in their charge the money belonging to the Churches and the Diocesan Society, could be induced to deposit the said moneys with him and Gopala Rao. They knew that deposits by Priests, if made public, would at once dispel all doubts and suspicions about the nature and propriety of the business conducted by them. It also looks as if they felt that the good words of the Priests regarding their business and business methods will go a long way to impress the public including the Private Secretary to His Highness about the safety of their investments with Gopala Rao. Dominick therefore set his heart on securing the Priests to invest their money and the money belonging to the Churches with him and Gopala Rao and eventually succeeded in his attempts. The method employed by him for the purpose was the same, *viz.*, the lure of the promise of exorbitant rates of interest paid with clock-like regularity month by month. Gopala Rao and Dominick made generous and handsome contributions and donations to several Catholic Institutions in the State obviously with a view to keep the Priests in good humour. The evidence discloses that quite a large amount of money collected from the public by Dominick and Gopala Rao went in the guise of interest to the construction of the Philomena College at Mysore. The unedifying spectacle of the Priests—God's good men on earth—depositing their money at unconscionable and exorbitant rates of interest with a Bank Clerk who has had to be dubbed a crook is indeed depressing. It was even more depressing and disappointing to find that even the Priests thought it fit to accept without question and follow without compunction the example and advice of Gopala Rao and failed to keep any sort of accounts relating to their transactions with Gopala Rao, the more so because most, if not all, of the money deposited by the Priests with Gopala Rao belonged to Institutions to which the public are persuaded to contribute and do contribute. It seems to us that the interest of these Institutions and the public whom they serve as also of the Revenues of the State may be better served if the business transactions of these Institutions receive the attention of competent Income-tax authorities.

Gopala Rao and his close associates realised almost from the beginning that their plans to pay interest out of borrowed capital would necessarily be not long-lived, even if they went all out to collect money from the public by promising them high rates of interest. Gopala Rao therefore decided to coax his depositors to re-deposit the money paid by him to them in the shape of interest and whenever he found any unwilling depositor he offered him higher rates of interest to achieve his object. He hoped by this means to keep on rolling the money of each of the depositors so that his business may be kept going till he perfected his plans and arranged the details for staging the failure of his business on the appointed date. The close associates of Gopala Rao appear to have welcomed this idea and gave it their hearty co-operation. The plan worked fairly satisfactory for some time, though once in a way a depositor failed to heed to the advice and persuasion of Gopala Rao to re-deposit his money. The matter however took a different turn when the Private Secretary to His Highness decided to withdraw his money and failed to renew his deposit. This failure, though due to the fact that the money withdrawn was required and utilised for the purchase of a house in Cunningham Road, made the other depositors, who came to know of it, to sit up and ponder. The withdrawal by the Private Secretary was followed by that of Sri C. Perumal Chetty of the C.P.C. Motor Service on the plea that he wanted the money for the purchase of some machinery. The explanation of the Private Secretary and C. Perumal Chetty for their inability to re-deposit their money does not appear to have convinced the large depositors and made them somewhat uneasy about the safety of their money. They therefore decided one by one to withdraw their deposits as quietly as possible with a view to prevent, if possible, a rush on the business of Gopala Rao. The close associates of Gopala Rao gradually but steadily went on reducing their deposits. The evidence discloses that *Lokaseva Parayani* Srimathi Sakamma, Dr. D'Costa and Sri Appiah Naidu—three of the largest depositors of Gopala Rao—who had been inducing people to deposit money with Gopala Rao on a commission basis, withdrew as much as Rs. 1,32,000, Rs. 2,60,000 and Rs. 1,44,948 respectively during the short period of five months between June to September 1946 and June to November 1946. These and other large depositors and close associates of Gopala Rao steadily began to slacken their interest in collecting moneys for deposit with Gopala Rao and concentrated their attention on safeguarding their own interests, as they had already an inking of the plan of Gopala Rao to stage a failure in the early part of 1947, as is clear from the evidence of Sm. Sakamma—a business woman known for her astuteness. Gopala Rao tried hard to cope with the situation thus created by attempts to rope in new customers, with a view to carry on his business. The odds were however all against him and the matter began to slip beyond his control. His cheques began to get dishonoured. It must be mentioned here that an analysis of the accounts of Gopala Rao and his customers revealed that, at this time, that is to say, in December 1946, about Rs. 67 lakhs remained with Gopala Rao and Dominick. This amount they were unwilling to bring out or invest in their business, as they feared that it might end ultimately in the total deprival of the fruits of all their labour for a period of 7 long years. Attempts to resurrect the business without bringing in the money they had secreted could not obviously succeed. The old associates of Gopala Rao were not in a mood to listen to his appeal to part with their gains to help him to start his business afresh without the guarantee of his own money being invested in the business. His last minute efforts to resurrect the business therefore failed and he closed his doors.

It will be clear from the foregoing that Gopala Rao was not engaged in any lawful business but collected money from the public by the lure of the promise of high rates of interest and by making it appear that he was engaged in many profitable businesses. The evidence and the circumstances in the case point to the conclusion that his closest associate, *viz.*, Sri Dominick, joined him as a partner in the business while a few others like Francis Thumboo Chetty and Dr. Da Costa assisted them in their business being aware of the methods adopted by Gopala Rao and Dominick to collect money from the public, while a few others like the Bank officials, Srimati Sakamma, Ananthamurthy and others assisted them in their business for the sake of the commission they got though they might not have been aware of the precise nature of the business. All these persons however joined hands in using their influence to facilitate the collection of money from the public and thereafter retained a portion of the money so collected for themselves as commission and distributed the balance amongst themselves and the depositors in the guise of interest. The business run by Gopala Rao and Dominick in short resembled the Totalizators and the Sweeps run by the Turf Clubs. The business could not therefore be deemed a business permitted by law and was subject to the penalties of the Penal Law. The adjudication of Gopala Rao in the Insolvency Courts was thus not justified or warranted. The adjudication appears to have been the outcome of a concerted effort of those who were interested in Gopala Rao and was probably intended to cloud the issue in order to afford Gopala Rao a defence to enable him to get over the penal law and sidetrack the interest of the public in the affair. The evidence in the case is not clear enough to give a finding regarding the exact proportion in which the money retained by Gopala Rao and his associates was divided amongst them or where the money still to be accounted for by Gopala Rao and Dominick is. A close analysis of the accounts of all the depositors and their transactions with Gopala Rao and Dominick reveals that in all a sum of Rs. 3,14,23,281 was collected from the public, out of which a sum of Rs. 2,46,89,760 was distributed amongst the depositors. The difference between the two amounts, *i.e.*, Rs. 67,33,521 represents the amount of money retained by Gopala Rao and Dominick and have to be accounted for by them. They have accounted for Rs. 16,54,118, leaving a sum of Rs. 50,79,403 to be still accounted for. The examination of the accounts further revealed that, out of 800 depositors who deposited their money with Gopala Rao and Dominick, only 75 depositors managed to take more than what they had deposited and that the total gain of all these 75 depositors amounted to Rs. 35,27,529. The Committee, out of this amount of Rs. 35,27,529, collected a sum of only Rs. 20,78,478 for payment to those who had lost, leaving the balance of Rs. 14,49,051 towards interest or profit to this class of depositors.

A Tabular Statement setting out particulars relating to the extent of investment, of gain or loss, rate of interest and the law or laws violated by them together with the remarks of the Committee is appended to the Report. The Committee has further appended a list of the relevant and more important letters which throw light on the several aspects regarding the business of B. N. Gopala Rao referred to in the Report.

A careful scrutiny of the numerous letters and documents recovered by the Police from the house of Gopala Rao and a detailed examination and appreciation of the evidence of over 600 witnesses examined by the Committee in the course of the Enquiry, coupled with a close analysis of the accounts of Gopala Rao and his clientele and the surrounding circumstances of the case lead the Committee to the following definite conclusions :—

(1) The swindle of the public by Gopala Rao and his associates was largely due to the need and helplessness of the many on the one hand and the urbridled and rapacious greed of a few on the other.

(2) The want of moral standards and ethical values of the majority of the investors, amongst whom are to be seen Priests and Judges, who even felt no compunction to demand and obtain exorbitant and unconscionable rates of interest for their investment;

(3) Lamentable deterioration of the traditions and morale of public servants with the resultant :—

(*a*) assistance, connivance and toleration of an unlawful business ;

(*b*) wilful failure in the discharge of official duty by some and abuse of official power by some others to deflect and defeat the efforts of superior officers.

(4) Utter lack of loyalty and total absence of the sense of propriety of several employees of the local Banks which prompted them to go against the interests of the Institutions they served.

(5) A regrettable but growing tendency amongst a section of the public to make heroes of knaves and knaves of gentlemen.

The Committee feel that the Government can go a long way to remedy the evils enumerated above by a whole-hearted encouragement of those officers of the Government noted for their character and efficiency and by meting out quick and condign punishment to those officers who are found wanting, regardless of the influence or importance of the persons concerned. The Committee feel that the Government will, as a step in this direction, deal effectively with the erring officers of the Government, referred to in the Report, whether in service or retired.

N. V. BABU REDDY,
Secretary,
Gopala Rao, Enquiry Committee.
15-3-1950.

(1) P. MEDAPA,
(2) S. NIJALINGAPPA,
(3) T. SUBRAMANYA,
10-3-1950.

THIRD PART

(PART PLAYED BY A FEW PROMINENT INDIVIDUALS IN GOPALA RAO'S BUSINESS)

I. Sir T. Thumboo Chetty.
II. Mr. Francis Thumboo Chetty.
III. Sri B. Appiya Naidu.
IV. Mr. P. S. D'Souza.

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Note regarding the transactions of
Sir T. THUMBOO CHETTY

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Sir T. Thumboo Chetty, who joined Government service in 1904, was transferred fairly early in his official career (1914) to the Palace service from which he retired in 1947 as the Private Secretary to His Highness the Maharaja. The good name of his family, more particularly the meritorious service of his father, gave him a premium with the authorities and the public which was not available to his brother officers. His own long, loyal and devoted services to the Royal House with the resultant preferments and generous recognitions, engendered first an impression and then a definite belief in the mind of the public that his words and wishes carried extraordinary weight with the gracious and benign Sovereigns of Mysore. This impression and belief, carefully propagated and cultivated, reached its peak during his term of office as Private Secretary to His Highness the Maharaja, so much so that a section of the public and several Government servants began to overlook, if not ignore, the Ministers and the Dewan and look to Sir T. Thumboo Chetty as the *de facto* Government of the day.

It was in this set up that Sir T. Thumboo Chetty celebrated the marriage of his dearly loved and accomplished daughter Philomena Thumboo Chetty with Francis Kantharaj. After this marriage, Francis Kantharaj changed his name and adopted the name of Thumboo Chetty primarily to perpetuate and incidentally to capitalize that well-known name.

The evidence establishes that Francis Thumboo Chetty soon after his marriage developed an inferiority complex in relation to his wife on account of his meagre finances which compelled him to depend almost entirely on the salary of his post which he knew was largely, if not entirely, the result of patronage on account of his marriage connection. Francis Thumboo Chetty was not happy at the position in which he found himself and was chafing at it when, to his good luck as it then appeared, he chanced to come across his old friend and classmate J. B. Dominick. In the course of conversation Francis Thumboo Chetty appears to have appraised his prosperous and affluent friend of his own unhappy plight and received from him the generous assurance of an easy solution to his difficulties. The remedy offered was alluring and enticing. It required no capital and involved no risk. Francis Thumboo Chetty was to use his 'Influence' to get people to advance money to Dominick for interest on pronotes or cheques, and in return Francis Thumboo Chetty was to get commission equal to the interest allowed to the investors on their capital. It was further agreed that the rate of interest and with it the commission should increase with the increase of the capital invested.

The proposition, it is needless to state, went like nectar down the parched throat of Francis Thumboo Chetty. Dominick knew that Francis Thumboo Chetty had no capital; but he and his friend Gopala Rao felt that through Francis Thumboo Chetty they could exploit and capitalize the impression and the belief of the public regarding the influence of Sir T. Thumboo Chetty as the power behind the throne for their own benefit. It was under these circumstances and in this manner that both Dominick and Gopala Rao planned and prepared the ground to drag Sir T. Thumboo Chetty into their fold through his son-in-law Francis Thumboo Chetty.

The question naturally arises whether the impression and belief that Sir T. Thumboo Chetty was the *de facto* Government of the day was true. The answer to this question is got in the answers of Gopala Rao to the questions addressed to him in the Enquiry :—

> " *Q.*—You said that Sir T. Thumboo Chetty was all in all and that he could do anything. When did you find that he was an influential person ?
>
> *A.*—The house which I purchased for Rs. 75,000 was commandeered by Government. Everything was over and my wife was about to hand over the keys. Then I went to Sir T. Thumboo Chetty and told him that my house had been commandeered by the Government. He phoned up and within 2 or 3 minutes the Inspector-General of Police and others came in with profuse apologies. The whole thing was done within 1 to 1½ hours. I wrote a letter of thanks to Sir Thumboo Chetty.
>
> *Q.*—Any other instance ?
>
> *A.*—F. Thumboo Chetty was telling me that Sir Thumboo Chetty was His Highness the Maharaja. He said that if I give money, nothing will happen, that if he minds they can ruin me. Things moved on as he prophesied.

Q.—What is that prophesy ?

A.—Whatever he (Francis Thumboo Chetty) might have done, F. Thumboo Chetty told me that, if he wanted to give a complaint, he need not give a written complaint, that if he only whispered to the Inspector-General of Police, I would be caught, that he would ask his father-in-law to interfere and somehow or other I would be finished. I was afraid of it.

Q.—

A.—My impression was that he was all in all. F. Thumboo Chetty was coming to my house every month. He was telling me that his father-in-law was very powerful and that he was virtually His Highness the Maharaja, that he could influence the Maharaja and the Maharaja will do everything that Sir T. Thumboo Chetty told him.

Q.—We do not understand. You should tell us the facts.

A.—He (Francis Thumboo Chetty) told me that Ranajodha Singh was brought here (Bangalore) as the Inspector-General of Police by Sir T. Thumboo Chetty. He was brought just to protect me. F. Thumboo Chetty was telling me that Ranajodha Singh is a friend of Sir T. Thumboo Chetty and he would see that City people are accepted as bail."

The way in which the trial of Gopala Rao was dragged on in the Criminal Court in spite of the constitution of a Special Court for that purpose compared with the rapidity with which the insolvency proceedings were pushed on (which will be dealt with in the Final Report in detail) lend colour and probabilise the evidence of Gopala Rao on this point. The impression and belief that Sir T. Thumboo Chetty was all powerful is also made evident by the answers of Viraraj Urs, retired Financial Secretary to the Government of Mysore:—

Q.—You had implicit faith in F. Thumboo Chetty, we believe.

A.—That is because of the connection he had with Sir T. Thumboo Chetty. F. Thumboo Chetty is his son-in-law.

Q.—At a time when you had to assert, you did not assert. Is it because of the connection of F. Thumboo Chetty with Sir T. Thumboo Chetty and that Sir T. Thumboo Chetty was himself the Dewan and the Government ?

A.—Yes.

Q. What influence induced you to invest the money ?

A.—I was indirectly influenced by the position Sir T. Thumboo Chetty occupied.

Q.—Mr. F. Thumboo Chetty came to you just after your retirement and casually said that if he had known he could have got another extension for you ?

A.—Yes.

Q.—But for the investment you made with Gopala Rao you could not have got the extension ?

A.—It may be.

Q.—As senior officer you could have taken action against him (F. Thumboo Chetty) for the way in which he was engaging himself in this activity but for the fact that he was the son-in-law of Sir T. Thumboo Chetty who was all in all in the administration of Mysore.

A.—Yes, on account of his relationship with Sir Thumboo Chetty.

Q.—Sir Thumboo Chetty had great influence in the administration ?

A.—Yes, he had.

Q.—His word was law ?

A.—He was all powerful.

Q.—You were aware—indirectly or directly—that Sir T. Thumboo Chetty was influencing Mr. Dominick and Mr. Gopala Rao ?

A.—Yes, I knew this from what F. Thumboo Chetty was telling me. He was telling me that Sir Thumboo Chetty had high regard for Gopala Rao and Dominick."

The extent and potency of the 'Influence' of Francis Thumboo Chetty is set out by V. T. Srinivasan, the present Comptroller to Government, in his statement to the Committee in the following words :—

"In the case of Mr. B. N. Gopala Rao (whom also I brought on file for the first time), the action taken by me at the time appears now to have been inadequate and unsatisfactory. I have asked myself over and over again why I dealt with Mr. Gopala Rao in the manner in which I had done nearly four years ago when he appeared before me for the first time and accepted his *bona fides* without question. I have come to the following very definite answer and it is nothing more than the bare truth.

> Two letters (out of several) which Mr. Gopala Rao produced before me created the most profound impression on my mind. The first was the letter of the then Private Secretary to His Highness the Maharaja of Mysore (*Amatya Siromani* Sir T. Thumboo Chetty who was also known to be the *de facto* Government of the time) ......The psychological effect created on my mind by these two letters was such that I, in my turn, felt that I should accept Mr. Gopala Rao's integrity without question. Everything else followed as a logical consequence of this. "

It will be necessary for a correct appreciation of the above statement to mention here that Sri O. Pulla Reddy, I.C.S., had demanded a report regarding the necessity of Gopala Rao to keep with him large number of high denomination notes for the purpose of his 'business' as alleged by him in his explanation to the Government. That shrewd and efficient officer instinctively smelt a rat when Gopala Rao presented an unreasonably large number of high denomination notes to the Government for encashment in consequence of the Demonitization Ordinances. It is needless to point out that, if the enquiry ordered by him had been carried out in the spirit in which it was ordered or in the manner in which enquiries are usually conducted or expected to be conducted by an officer, the dire consequences of the Swindle, otherwise known as 'Financial Crash of Gopala Rao' would have been very much minimised. V. T. Srinivasan, however, failed to rise to the occasion and short-circuited the enquiry with a view to help Gopala Rao. V. T. Srinivasan, in his statement to the Committee, took shelter under the certificate of Sir T. Thumboo Chetty for his unusual conduct and added by way of explanation that, if he had done his duty, he would have had to face the consequences of incurring the displeasure of Sir T. Thumboo Chetty which he dreaded. The contention of V. T. Srinivasan before the Committee was that he shared the opinion of the public regarding the abrupt termination of the official career in Mysore of both Sri M. A. Srinivasan and Sri O. Pulla Reddy, *viz.*, that both of them became victims to the displeasure of Sir T. Thumboo Chetty. His contention is an eloquent testimony to the truth of the public belief regarding the 'Influence' attributed to Sir T. Thumboo Chetty. It may also be mentioned here that the attempt to assess Gopala Rao correctly to income-tax had to be dropped because the Income-tax Officers was afraid to face the probable displeasure of Sir T. Thumboo Chetty. The statement of Gopala Rao that the Title of *Dharmaratnakara* (Ocean of Charity) was literally forced on him much against his wish by Francis and Sir T. Thumboo Chetty receives corroboration from the fact that neither the Cabinet nor any officer of the Government made a recommendation for the conferment of any title to Gopala Rao. Veeraraj Urs swears that he saw a letter of Francis Thumboo Chetty to B. N. Gopala Rao conveying the news that he (Francis Thumboo Chetty) was trying to get a title conferred on him (B. N. Gopala Rao). The letter of B. N. Gopala Rao to Sir T. Thumboo Chetty in this connection is revealing and is interesting reading :—

> " A whisper is going round that I am about to get a Title. Fiction or fact, this whisper has greatly distressed me. The hint of a Title is enough to frighten me. I dread to be over-valued.
>
> Not that I believe in the whisper; but lest it should, by any chance, I beseech you, Sir, graciously to let me alone. I beg for the greater and sweeter grace of being forgotten.
>
> It may be that I am strangely constitued; but really, I have an innate fear of publicity. I am 'born to blush unseen'. Noise is violence to my humble being. I love to remain unknown to my humble corner of this world.
>
> My birth has been humble; I have grown and thriven on want and obscurity. Let me not now be torn away from my old moorings. I dread to be dragged out and stared at.
>
> To be unknown and to be humble is my heritage. Humility is in my blood; simplicity is in my bones. To lose them is to lose the very essence of my being.
>
> It was God's will to fill these poor hands with plenty. What is more than I can hold cannot be mine. I am bidden to hold the extra in Trust for my less fortunate fellowmen. If I have, in any measure, added to the welfare and happiness of those who have suffered like me, well, it was out of His Infinite kindness and grace. Let me not delude the public or myself to think that I have done it and forget that it is the poor that have laboured to fill these hands of mine. Are they not to take back what they have given ? Should the vessel feel that what others have filled is its own ? It is they who need to be returned; not me. Let me not take credit for paying back my dues.

> May I remain for ever, true to my God, King and Country. That He trusted me with this sacred responsibility and gave me the strength and opportunity to serve the poor has been by itself a great distinction and decoration and His choicest blessings on me, my family and my children and a source of greatest satisfaction and joy for me.
>
> I, therefore, beseech you to leave me happy with this consciousness and not try to deprive me of this pleasure by conferring a return for having done my bare duty to my fellowmen".

That Sir T. Thumboo Chetty held Gopala Rao in high esteem is made clear by the letter of Father. Adieu, Chaplain, St. Philomena's Shrine, Mysore. Sir T. Thumboo Chetty had apparently referred to Gopala Rao in flattering terms and had advised that Chaplain to approach Gopala Rao for a donation for his Orphanage. The letter of Father Adieu to Gopala Rao reads as follows :—

> "You may be surprised to receive this letter. I am unknown to you. But Mr. Thumboo Chetty and Dr. Royan spoke to me about you in very favourable terms and have requested me to write you this letter.
>
> I have established in Mysore an Orphanage, which was much needed to look after many destitute boys. I started the Orphanage three years ago with 20 orphans. It has risen to nearly 100 more. They are all from Mysore and the surrounding Districts in the Mysore State.
>
> Lately, I shifted them from a small and narrow house to a nice two-storeyed building, which I have been able to erect close to St. Philomena's High School. So far, Government have not helped me. I have left a debt of Rs. 10,000 on the building and every month I spend nearly Rs. 1,000 for the maintenance of these orphans.
>
> I have been told by my friends who know your generous heart that you would certainly try to help me in my work. This work is impossible to carry out without the help of generous philanthropists like you and I appeal to you, dear sir, to do your best for St. Philomena's Orphanage, Mysore.
>
> May our dear Saint bestow upon you her choicest blessings and grant you health, long life and happiness.
>
> Thanking you in anticipation".

The conferment of the Title '*Dharmaratnakara*' much against the alleged wish of Gopala Rao, which enabled him to collect a sum of over a crore of rupees from the public within a short period of 4 or 5 months is yet another circumstance which goes to support the belief regarding the potency of the 'Influence' of Sir T. Thumboo Chetty. The race between Dominick and Gopala Rao to get Francis Thumboo Chetty to invest with them and the price they paid for that 'Privilege' referred to in the Report relating to Francis Thumboo Chetty is still another circumstance which goes to show that the belief referred to in the above paragraphs was true.

It will be clear from the foregoing that the impression and belief of the public that Sir T. Thumboo Chetty was the *de facto* Government of the day cannot be said to be unfounded but was, on the other hand, largely justified. The evidence in the Enquiry clearly establishes that Gopala Rao collected money from the public by false pretences under the cloak of banking business. The phenomenal success of his business was largely the result of absolute secrecy, lure of the promise of heavy rates of interest and a whispering campaign through which the inane desire of men to get rich quick was exploited. The question for consideration is whether Sir T. Thumboo Chetty was or could be deemed to have been aware of the nature and method of the business; in other words, whether Sir T. Thumboo Chetty knew that the exorbitant rate of interest paid to him came from the money swindled from the public and whether he was aware of the disgusting part played by his son-in-law in the whole affair? *Prima facie*, the antecedents of Sir T. Thumboo Chetty and the position he occupied militate against the conclusion that he knew the nature of the business or was aware of the part played by his son-in-law. There is also no direct evidence to show that Sir T. Thumboo Chetty knew the details of the business carried on by Gopala Rao. There are, however, circumstances in the case which show that Sir T. Thumboo Chetty was suspicious about the propriety, if not the honesty, of the business conducted by Gopala Rao. The fact that he took precautions to see that his investment with Dominick and Gopala Rao did not leak out or become public supports in a way the contention that he must have known the details and methods of the business. It can be urged that, but for that knowledge, those precautions would never have been felt to be necessary nor taken. It may also be urged that payment of interest at 36 to 48 per cent at a time when money was cheap and the Bank rate did not exceed 1½ to 2 per cent should have made an old and experienced officer like Sir T. Thumboo Chetty to presume that the business conducted by Gopala Rao was not and could not be honest, the more so because almost all commercial activities at that time had been controlled by Government. It may be urged that the excuse of thoughtlessness and inexperience is not open or available to Sir T. Thumboo Chetty. It may further be submitted that he could not have been ignorant of the enormous gains which his son-in-law was making or of the proved fact that he was engaging himself in business contrary to the rules governing the conduct of Government servants and that he should therefore be deemed to have known the nature, details and methods of the business conducted by Gopala Rao. These arguments are entitled to weight and cannot lightly be brushed aside. They are certainly sufficient to warrant the conclusion that there were grounds—perhaps very strong grounds—for suspicion. The question is whether they are sufficient to warrant a definite finding by this Committee that he knew the details and methods of the business and of the part played by Francis Thumboo Chetty. There is plenty of material before the Committee which prove that Francis Thumboo Chetty exploited the name and 'Influence' of Sir T. Thumboo Chetty without scruple to help himself out of his financial difficulties and to further the interests of those who invested through him in the business of Gopala Rao. The way he exploited the rivalry between Gopala Rao and Dominick to get him to invest with them to enrich himself and his abrupt termination of all transactions with Dominick—his old pal—who had pulled him out of his gloom and enabled him to earn the respect due to him as husband, the moment he got better terms from Gopala Rao, point to the conclusion that he was by no means a stickler for scruples.

Sir T. Thumboo Chetty is over 70 years of age. He doted upon his daughter so much that Francis Kantharaj was persuaded to change his name and adopt his, to perpetuate the family name. There is ample material on record to show that Francis Thumboo Chetty, after his marriage, managed to worm himself into the confidence of Sir T. Thumboo Chetty and succeeded in arrogating to himself the position of a darling dictator of the family. The foregoing will justify the argument that Sir T. Thumboo Chetty was unable to assess his son-in-law correctly, much less see through the purpose of his action in inducing him to invest with Dominick and Gopala Rao. The fact that Sir T. Thumboo Chetty withdrew his money long before the Crash in July 1945 lends itself to the interpretation that he must have closed his transaction as soon as he came to a definite opinion that the business of Gopala Rao could not be quite honest. The proved fact that he did not commend Gopala Rao to the would-be investors who made enquiries of Gopala Rao is also a point in his favour. The Committee, after a careful consideration of all the facts and attendant circumstances, is inclined to accept its majority view that Sir T. Thumboo Chetty could not have been aware of the details and methods of the business conducted by Gopala Rao and holds accordingly. This, however, does not mean that the Committee is of the opinion that Sir T. Thumboo Chetty is free from all blame. The Committee is definite that an old and experienced officer like Sir T. Thumboo Chetty erred grievously in allowing himself to be influenced in official matters by the promptings and desires of his son-in-law. His lapses on this score brought in their wake serious reflections against the State and its administration. The letter of Mrs. Nayler extracted below is to the point and deserves perusal:—

> "Please let me know what action, if any, was taken or is contemplated on my letter dated 16th December 1946 sent registered A.D. to you.
>
> The substance of the letter was as follows:—
>
> > 'On the 2nd and 3rd October a titled citizen of the Maharaja of Mysore—*Dharmaratnakara* B. N. Gopala Rao—persuaded me to invest with him the sum of Rs. 10,000 for two months. As an acknowledgment of the cheques given by me to him, he gave me cheques of like amount which I was to cash on the 2nd and 3rd December. The Bank refused to cash these cheques on the 12th December and the Honoured Citizen of the Maharaja refused to return the money I invested with him.'
>
> It would appear that he gave over the amounts invested with him to charities in the Mysore State for which act of 'kindness' the Maharaja thanked him and conferred a title on him!
>
> I would like to know if the Maharaja proposes to either return this money to me or persuade his honoured subject to return it.
>
> Kindly acknowledge this letter, a copy of which is being sent to the Dewan.
>
> I might mention that I am a woman with a family of five young children, and cannot understand how the Government permitted this menace to society to operate and impoverish poor people."

It cannot be disputed that the sentiments expressed in this letter reflected correctly the opinion of the public at the time. The evidence discloses that the title of *Dharmaratnakara* (Ocean of Charity) considerably influenced the people to invest their hard-earned money with Gopala Rao. It has already been pointed out that Gopala Rao collected over a crore of rupees from the public within the short space of four to five months after the conferment of the title and before his insolvency. The investors felt that the title of *Dharmaratnakara* was a warranty for the safety of their money and the soundness of the business of Gopala Rao. They never imagined that their Government would confer a title on one who would collect money by false pretences or be compelled to file his schedule within five months after the conferment of the title. It has already been shown that Sir T. Thumboo Chetty played a great part and had a large share in the conferment of the title on Gopala Rao. The public had come to know of a letter written by Sir T. Thumboo Chetty in which he described Gopala Rao as the Financial Wizard of Bangalore. They had also seen the casket presented by Francis Thumboo Chetty bearing the following inscription :—

> "PRESENTED TO Mr. B. N. GOPALA RAO IN TOKEN OF FRIENDSHIP, ESTEEM, GRATITUDE AND AS AN EXPRESSION OF ADMIRATION FOR THE UNIQUE PERSONALITY—
>
> BY FRANCIS THUMBOO CHETTY, MEMBERS OF HIS FAMILY AND FRIENDS."

There is evidence before the Committee to show that a sum of Rs. 75,000 was placed in the casket by Francis Thumboo Chetty and members of his family including Sir T. Thumboo Chetty representing a tenth of the profits which they had earned from Gopala Rao. There is also evidence to show that the casket was presented by Sir T. Thumboo Chetty in person to Gopala Rao. The indictment of the Government by the public under the belief that Sir T. Thumboo Chetty was the *de facto* Government of the day, though not quite justifiable, is, under these circumstances, quite understandable. It cannot therefore be denied that the lapses of Sir T. Thumboo Chetty in the discharge of his duties were the main cause for the indictment of the Government by the people.

The only question that remains for consideration is the extent and result of the transactions of Sir T. Thumboo Chetty with Gopala Rao, *i.e.*, whether Sir T. Thumboo Chetty was a gainer or a loser. Francis Thumboo Chetty stoutly denied all knowledge of the transactions of Sir T. Thumboo Chetty with Dominick and Gopala Rao but, when confronted with Exhibit 49 in his own writing, he had to admit it. The transactions of Sir T. Thumboo Chetty are evidenced by three documents and though the name of the payee is cut out in two of the three documents, his name figures clearly as the payee in the third. Sir T. Thumboo Chetty admitted that he had transactions with Dominick and Gopala Rao and filed two written statements regarding his dealings with them. He admitted that, as a result of his and his wife's transactions with Gopala Rao and Dominick, he made a gain of Rs. 1,21,725. It must be mentioned in fairness to Sir T. Thumboo Chetty that, when the nature and details of the business conducted by Gopala Rao and the part played by his son-in-law Francis Thumboo Chetty in that affair were pointed out to him, he volunteered to pay back his gains. Sir T. Thumboo Chetty pointed out to the Committee that his grand-daughter Pamela Mathan had lost a lakh of rupees invested by her with Gopala Rao in November 1946 and had failed to prefer and prove her claim and submitted that the money, which his grand-daughter Pamela Mathan would have received from the Committee as a result of its labours if she had preferred her claim before it, should, in fairness, be deducted from the amount he had made. The Committee accepted the suggestion and the offer and received from him a sum of Rs. 85,000 for distribution amongst those who had lost.

It must be mentioned here that Sir T. Thumboo Chetty did not include the profits he had made from Dominick and Gopala Rao in his Income-tax Returns and thereby evaded the payment of Income-tax justly due to the Government. The Committee, however, in view of the payment of Rs. 85,000 already referred to and in consideration of his age and long service, is of the opinion that no suggestion or recommendation for any further action should be made.

P. MEDAPA,
Chairman.
S. NIJALINGAPPA,
Member.
T. SUBRAMANYA,
Member.
N. V. BABU REDDY,
Secretary.

Note regarding the transactions of

MR. FRANCIS THUMBOO CHETTY

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Sri F. Thumboo Chetty—a comparative late comer to get into the net-work of the nefarious activities of Sri B. N. Gopala Rao was cajoled into the business of Gopala Rao, but even so he was one of the few who was destined to play a very important part in the notorious but meteoric rise and fall of Sri B. N. Gopala Rao. Indeed his (Francis Thumboo Chetty's) sudden and amazing financial rise forms an interesting cross-section of the history and progress of the devastating but absorbing financial and social career of Sri B. N. Gopala Rao in Bangalore and Mysore.

Sri F. Thumboo Chetty, the second son of Mrs. Swamy Chetty—one of the sisters of Sir T. Thumboo Chetty—was known before his marriage as Francis Kantharaj. He graduated from the St. Joseph's College and secured an appointment in the India Office at London. He returned to Mysore in 1937 and married Srimati Philomena Thumboo Chetty, the accomplished daughter of Sir T. Thumboo Chetty. He changed his name after his marriage and adopted the name of Thumboo Chetty apparently with a view to perpetuate that well-known name in the State of Mysore—as Sir Thumboo Chetty had no male issues. F. Thumboo Chetty, unlike his wife, was far from being rich ; but his nomination to the Mysore Civil Service immediately after his marriage appears to have made things somewhat easy for him. For a while everything seems to have gone on well with the new couple but later, as is clear from the evidence of Dominick, the impecunious circumstances of F. Thumboo Chetty placed him at a disadvantage with his spouse. Francis Thumboo Chetty was, as could be expected of any young gentleman in such circumstances, eager and even anxious to overcome the handicap in which he found himself on account of his financial position vis-a-vis his wife. It was in these circumstances that he chanced to come across the close associate of Gopala Rao who was no other than his old pal and classmate J. B. Dominick. This was in the year 1940. The two friends appear to have enquired about each other's welfare and F. Thumboo Chetty was at once struck with the dazzling financial prosperity of his friend. Dominick on his part generously offered a helping hand to his old pal to overcome the handicap against which he was battling. F. Thumboo Chetty, impressed with the success of J. B. Dominick, clutched at the proferred assistance with a determination to take full advantage of the chance that opened out for him.

Money was cheap at the time and Francis Thumboo Chetty, attracted by the promise of a high rate of interest, persuaded his mother to raise a loan for investment with Gopala Rao. The mother yielded to the advice and persuasion of her son, raised a loan and handed over a sum of Rs. 40,000 for investment with Dominick. Francis Thumboo Chetty invested this amount with Dominick at the rate of 36 per cent per annum and got him to execute a pronote in his mother's name in which interest was stipulated at 12 per cent per annum. The interest at 36 per cent, which this money was said to earn, was to be shared equally between Dominick, Francis Thumboo Chetty and the investor. All this was arranged without the knowledge of the investor who was no other than his own mother ! Dominick then held out the alluring promise that the rate of interest will be progressively increased with the increase of the capital invested. The proposition which Dominick dangled before Francis Thumboo Chetty, was enticing. He needed no capital, ran no risk and avoided all chances of publicity which he, as a Government Servant, had necessarily to avoid. All that was required of him for the business was his influence and " Influence " he knew he had in plenty as the son-in-law of Sir T. Thumboo Chetty (Private Secretary to His Highness the Maharaja). This advantage he resolved to exploit to his fullest benefit. It will be necessary to mention here that Dominick had little or no influence at the time and did no business, except investing the money received by him with Gopala Rao.

It may be pertinently asked : What business did Gopala Rao himself do ? What was it that made Dominick to trust Gopala Rao and risk huge sums of money with him ? In answer it must be stated that Gopala Rao also did no business beyond collecting money by the lure of the promise of high rates of interest which he paid out of the capital that kept on flowing into his hands. The evidence in the Enquiry points to the conclusion that both Gopala Rao and Dominick, knew full well what they were doing and that it is also likely that some others including Francis Thumboo Chetty knew that the "business" of

Gopala Rao was no other than the collection of money from the gullible by the lure of the promise of high rates of interest which was paid from out of the money so collected. The success and continuity of such a " business " depended on the ability to keep up a continuous flow of capital into the hands of Gopala Rao and in keeping the whole affair a secret. Gopala Rao and Dominick and their associates succeeded by persistent propaganda in impressing on their creditors (victims) that execution of pronotes or other formal documents and the maintenance of regular accounts meant publicity (exposure) and liability to the levy of heavy income-tax. It was confidentially whispered to the would-be investors that the " business " of Gopala Rao was almost entirely confined to controlled and contraband goods and his ability to pay heavy rates of interest largely depended upon the avoidance of income-tax and that it was therefore imperative to keep the transactions a close secret. It was pointed out that secrecy would be ensured if the transactions between them were carried on by means of bearer, dated and undated self-cheques. It was explained that undated cheques could be dated and cashed at any time and that transactions carried on in this manner and the income derived therefrom could be kept out of the prying eye of the Income-tax Department, both by Gopala Rao and his customers. These aspects were particularly appealing to blackmarketeers and the new rich who had amassed their wealth through questionable methods during the war years.

It will be necessary at this stage to refer in some detail to the evidence in the Enquiry which impels the Committee to conclude that Francis Thumboo Chetty knew or must be deemed to have known the methods by which large sums of money were being collected from the public. The letters written by Francis Thumboo Chetty to Gopala Rao were seized by the Police from the house of Gopala Rao when they searched his premises. They have been marked as Exhibits 13 to 48. The letter dated 13th February 1944, marked Exhibit 13, reads as follows :—

> " My dear Mr. Gopala Rao,
>
> Can you kindly come over to my place on Monday (tomorrow) evening to have a further discussion at 9 P.M.
>
> If this is inconvenient, kindly let me know by dropping in at the office tomorrow morning, so that we can fix up some other time.
>
> Please tell D'Costa to be careful with the *partnership papers*.
>
> With best wishes,
>
> Yours sincerely,
> KANTHARAJ."

The phrase " partnership papers " and the sentence—

> " Please tell D'Costa to be careful with the partnership papers."

appearing in the letter are significant and suggestive. They indicate that there were several papers relating to a partnership and that Francis Thumboo Chetty was at the time very anxious to see that those papers were safely preserved. None of the three persons connected with the letter, *viz.* Francis Thumboo Chetty, Gopala Rao and D'Costa, however, was willing to tell the Committee definitely where those papers were, what happened to them, who were the persons that constituted the partnership, what the terms of the partnership were and what business was carried on by the partners. Each one of them evaded answers to these pertinent questions by vague and unconvincing explanations. All of them tried hard to say that there was no partnership at all and that they did not quite understand the implications of the phrase " partnership papers ". It is hardly necessary to state that men like Francis Thumboo Chetty and Gopala Rao, who are well versed in the use of the English language, could have used the word " partnership " and resorted to the plural number without understanding their meaning and implications. The letter in question suggests that Francis Thumboo Chetty was either a partner in the " Business " of Gopala Rao, or at any rate, was very much interested in a partnership business in which Gopala Rao and D'Costa were equally interested. The non-production of the papers referred to in the letter or their destruction as stated by one of them leads us to the necessary inference that all of them were partners in the " Business " of Gopala Rao. The evidence of Dr. D'Costa that he went to Francis Thumboo Chetty and asked him to limit his capital also suggests that Francis Thumboo Chetty was a partner. Expressions like " I shall come over to you for disbursement " and " adjustments ", " Bonus " etc., occurring in the letters of Francis Thumboo Chetty also point to the conclusion that he must have been either a partner or had some interest in the conduct of the business. Francis Thumboo Chetty, who at first denied the partnership, was persuaded to produce an agreement between J. B. Dominick and Gopala Rao. It is admitted that the document bears the signature of Dominick and Gopala Rao. That document reads :—

> " Most of the business in Bangalore consists in Imports. Money is advanced to wholesale merchants as against the security of Railway Receipts for goods imported by them against indents from other retail merchants. The advance made by us is concerned with the necessities of life *e.g.*, Rice, Dhal, Ragi and Oils. Our business is neither concerned with luxury articles nor foreign goods.
>
> *Precautions taken against risks* :—
>
> 1. The clients are thoroughly well known to us for the past ten years. Our service in the Imperial Bank of India for the 12 years has enabled us to know intimately the means, standing and respectability of our clients. All new clients are thoroughly investigated for about six months before any transactions are made with them.
> 2. The advances are for short periods mostly for a week, which period is considered sufficient by our clients.
> 3. No advances are made without the security of the Railway Receipts, and in all cases as an additional precautionary measure the amount advanced will not exceed 80 per cent of the value of the goods.
> 4. In this connection we may be permitted to say that during the last 12 years of our business there has not been a single instance of our clients failing to repay the advanced amounts. The amounts are generally advanced to respectable merchants of 40 or 50 years standing for genuine trade purposes only.
>
> Our 12 years of business has resulted in a big profit not only to ourselves but to our investors as well. The extent of our success is surely a measure of the soundness of our business.
>
> The business was started in the year 1929 with a small capital of Rs. 30,000. The actual amount in business today exceeds Rupees seven lakhs and the profits distributed amount to Rupees ten lakhs, and there are certain investors who have earned their capital over and again since they invested money in the business with us from the very beginning.
>
> The advantages for investors are many in number.—
>
> 1. The amount invested may be withdrawn with a short notice.
> 2. Interests are paid regularly every month in advance.
> 3. As our advances are mostly for short period, the investors can operate on their account in business just as a current with a bank is operated. The investors in our business are from different activities in life, people with means, very good standing in life, and highly respectable, and satisfaction to the maximum to all such people is only possible if the business done is of a very safe and sound order.
>
> *Guarantees given by the partners in business to investors.*—
>
> The usual procedure is that an On Demand Pronote for the invested amount is given signed by both the *partners*, thus making them both liable for the invested amonut, and one of them to give a post-date cheque renewable every month on the due date when interest in advance will be paid. Should the investor withdraw the amount invested either fully or in part according to his convenience, the amounts in the cheques and in the pronote will be altered, or if the account is closed the pronote will be taken back after the full amount invested is returned and all documents with the investor settled. Signed by the Partners—
>
> (Sd.) B. N. GOPALA RAO.
> (Sd.) J. B. DOMINICK."

A perusal of the document will make it clear that, if Francis Thumboo Chetty was unaware of the nature of the businesses carried on by Gopala Rao and wanted to verify the correctness of the assertions seen in the deed, it was very easy for him to have done so because of the nature and particulars of the business narrated in the deed. It would strike the meanest intellect in possession of the deed that large scale business of the type mentioned in the deed required a number of godowns, several clerks, necessary account books and a telephone all of which admittedly were conspicuous by their absence in the conduct of the business of Gopala Rao. The failure to make enquiries leads one to the inference that Francis Thumboo Chetty knew that the business mentioned in the deed was merely a device to attract money from the gullible through the effective method of whispering campaign carried on by influential persons like Francis Thumboo Chetty and others. It will be sufficient for the purpose of this Report if it is pointed out that a person conducting the business of the Insurance Department of the Government of Mysore would not have collected large sum of money for investment with Gopala Rao without knowing what business he was engaged in, particularly when he had the means to find it out. Exhibit 18, a letter dated 5th November 1944, written by Francis Thumboo Chetty to Gopala Rao reads :—

> "Dear Mr. Gopala Rao,
>
> I forgot to mention last month when I was there that an influential and wealthy person wishes to invest on a large scale of a few lakhs. You will be very glad to hear that he is willing to invest at 12 per cent per annum !
>
> I have told him everything about you and have said that I've invested quite a few lakhs. As I am meeting him very shortly I have a proposal to make. As my outstandings with you do not amount to much I would suggest that you give me a post-dated cheque for Rs. 6,91,000 crossed and post-dated 30th November 1944 as security. Kindly give me a cheque for the corresponding amount which I shall return when I see you at the end of this month. Please do not have any fears over this as your cheque will be returned intact. I may assure you that I am doing this out of gratitude for all that you have done.
>
> Please consider seriously and reply,
>
> Yours sincerely,
>
> In haste. KANTHARAJ. "

This letter clearly establishes that Francis Thumboo Chetty was not merely interested in the business but went very much out of his way to oblige Gopala Rao with incorrect statements to enable him (Gopala Rao) either to wriggle out of his estrangement with Dominick as deposed by Francis Thumboo Chetty or, as stated in the letter, to inveigle strangers to invest their money in." Gopala Rao's Banking Business. "

The foregoing will make it clear that the financial crash popularly known as Gopala Rao's Crash is not merely the crash of Gopala Rao for it certainly was the Crash of both Gopala Rao and Dominick. The paucity of documentary or clear oral evidence is a handicap for an exact determination of the position of Francis Thumboo Chetty in the business. It will however be neither inappropriate nor inaccurate to describe the Crash as Gopala Rao-Dominick-Francis Thumboo Chetty Crash.

It will be appropriate at this stage to refer to the monetary transactions of Francis Thumboo Chetty. His financial transactions up to the date of Crash may conveniently be divided into three phases—

(1) His dealings with Dominick from 1940 to 1944 ;
(2) His dealings with B. N. Gopala Rao direct from 29th February 1944 to the date of Crash ; and
(3) His alleged dealings with Dominick from December 1945 till date of crash.

Francis Thumboo Chetty's investment of his mother's money with Dominick has already been referred to at some length. The business that he thus started on a modest scale with Rs. 40,000 got from his mother developed to Rs. 6,26,000 by the end of February 1944. These amounts, he collected from his relations, friends, and subordinates. The practice of dividing a portion of the interest on the investment between Dominick and himself was continued. A detailed statement relating to these transactions are set out in APPENDIX II.

Division of spoils is always a delicate and difficult matter amongst friends who are parties to a shady transaction. It is very often the cause on which joint racketeers fall out and Dominick and Francis Thumboo Chetty proved no exception to the rule. The two pals fell out because they could not agree to the proportion in which the spoils had to be shared. Dominick felt that division in equal proportion between him and Thumboo Chetty was not fair, for he felt that he ran all the risk and undertook all the responsibility, while Francis Thumboo Chetty ran no risk and incurred no responsibility. It must be mentioned here that by the end of 1943, Dominick had earned enough money to convince himself of his ability to attract capital without the aid of the " Influence " of Francis Thumboo Chetty. He therefore became assertive. Francis Thumboo Chetty in his turn had earned enough to be assured of a good monthly income and had succeeded in gaining the respect due to a husband and the regard due to a son-in-law and what is more the gratitude due to one who had enriched his family members and relatives. He developed a mood to resent the attitude of his pal, who he felt had derived considerable benefit on account of his " Influence ". The result was an attempt at exposure and betrayal of one by the other with the result that the erstwhile friends parted as enemies on 29th February 1944.

Dominick began to inform the friends of Francis Thumboo Chetty that they were being exploited by Francis Thumboo Chetty who, he said, retained an equal portion of the interest on their money for himself. Francis Thumboo Chetty, in his turn, began to point out that Dominick drew more interest from Gopala Rao than what he paid to his investors. Francis Thumboo Chetty could not suffer this exposure amongst his relatives and his official superior Sri Viraraj Urs ; while Dominick could not afford to lose his " business " and source of living. The two soon realised that it was absolutely necessary that they should make at least a truce of convenience. As a result, Dominick agreed to pay (hush money in the shape of) bonus to all his clients and agreed to desist from exposing Francis Thumboo Chetty, while Francis Thumboo Chetty, in his turn, agreed to refrain from permanently ruining Dominick by giving out his secrets. This compromise is yet another indication that Francis Thumboo Chetty must have been in the full know of all the secrets of " Gopala Rao's Business ".

Dominick was aware of the extraordinary influence which Francis Thumboo Chetty wielded through his father-in-law in the circles that really mattered in Government. He therefore went to the extreme limit to pacify his old pal and paid a sum of Rs. 85,000 by way of bonus to Francis Thumboo Chetty's clients. Francis Thumboo Chetty, however, was adamant and was determined to sever all financial connections with his old pal and Dominick had to bow to the inevitable, for he was anxious to see that Francis Thumboo Chetty did not use his " Influence " against him. The evidence before the Committee shows that this extraordinarily determined attitude of Francis Thumboo Chetty towards his old pal was, to a large extent, inspired by Gopala Rao. It is admitted by Francis Thumboo Chetty that Gopala Rao promised him not only higher rates of interest than what was paid to him by Dominick but gave him in addition a sum of Rs. 50,000 as a loan without interest so that Francis Thumboo Chetty may deposit the said amount with him (Gopala Rao) at 72 per cent. It must be pointed out here that as a result, Francis Thumboo Chetty got Rs. 3,000 per month regularly from Gopala Rao from 29th February 1944 till the date of Crash without risking a rupee of his own. This transaction, it is needless to point out, looks amazing ; but the reason for it is obvious. Gopala Rao was determined to wean away Francis Thumboo Chetty from Dominick so that he may have the benefit of his " Influence " and with that end in view he enabled Francis Thumboo Chetty to get a certain amount per month and in order to give that arrangement the colour of a business transaction made a pretext of advancing the above-said loan of Rs. 50,000 *without* interest for investment with him *for* interest at the rate of 72 per cent per annum. This alleged loan cannot but be regarded as the hire for the use of the ' Influence ' of Francis Thumboo Chetty (thinly veiled bribery).

It was in this manner and under these circumstances that Francis Thumboo Chetty entered on the second stage of his financial career. The transactions of Francis Thumboo Chetty with Gopala Rao, unlike his transactions with Dominick, are fairly clear. Francis Thumboo Chetty maintained regular monthly account-sheets relating to his transactions with Gopala Rao which were signed both, by himself and Gopala Rao. The Committee verified the correctness of these account-sheets by a laborious reference to Bank accounts and other indicative materials that became available as a result of and in the course of the Enquiry and found them correct. The account-sheets indicate that Gopala Rao agreed to pay interest at the rate of 6 per cent per mensem on the capital of Rs. 6,26,500 that was taken over by him from Dominick and Francis Thumboo Chetty in his turn paid 4 per cent of the interest so collected to his parties and retained for himself the remaining 2 per cent as commission. In this connection, special mention must be made of the fact that all the principal which with capitalised interest went to make up the capital of Rs. 6,26,500 had already been passed on by Dominick to Gopala Rao as and when they were received by him. ' It may also be mentioned that for all amounts invested afresh in 1946, Gopala Rao allowed interest ranging from 6 to 20 per cent per mensem (and out of this Francis Thumboo Chetty retained 2 per cent as his commission). The net result of the transactions of

Francis Thumboo Chetty with Gopala Rao just before the Crash was that it left Francis Thumboo Chetty a millionaire. The cheques held by him at the time of the Crash are noted below :—

		Rs.
1.	Francis Thumboo Chetty	17,78,000
2.	Mrs. Swami Chetty	3,15,000
3.	R. Kemparaj	3,20,000
4.	Mrs. Amritraj	32,000
	Total ...	24,45,000

The cheque for Rs. 17,78,000 standing in the name of Francis Thumboo Chetty, included the money due to 19 of his clients and himself. His own capital in this cheque was Rs. 12,12,000, he having already drawn in cash a sum of Rs. 3,44,462-8-0 in addition. The net result of the first and second stages of Francis Thumboo Chetty's investment is given in the following statement :—

1 With J. B. Dominick in February 1944 at the time of transfer to B. N. Gopala Rao		2 With B. N. Gopala Rao from February 1944 to date of Crash in December 1946		Total gain from 1 and 2
Capital Rs.	Gain Rs.	Capital Rs.	Gain Rs. a. p.	Rs. a. p.
1,00,000	1,45,000	12,12,000	1,73,462 8 0	3,44,462 8 0
	26,000			40,000 0 0 Balance of capital advanced by B. N. Gopala Rao in February 1944.

It is thus seen that Francis Thumboo Chetty gained a sum of Rs. 3,84,468-8-0 in cash by way of commission as a result of his dealings with Dominick and Gopala Rao. Francis Thumboo Chetty has deposed that he paid in all a sum of Rs. 1,37,500 to his clients after the date of the Crash. The correctness of this statement is open to question; but even if deduction is given for this amount, it will still be seen that he made a net gain of Rs. 2,46,962-8-0.

The third phase of the financial career of Francis Thumboo Chetty relates to his alleged re-commencement of business with Dominick. The story of Francis Thumboo Chetty is that he advanced Rs. 5 lakhs which he had collected from different persons, to Dominick at rates ranging from 12 to 20 per cent per mensem in or about December 1945. He states that almost all the interest, which accrued on this investment (except a small sum of Rs. 20,000 which he drew in cash) was added on to the capital and that as a result, the capital had swelled up to Rs. 12 or 15 lakhs at the time of the Crash in December 1946. This version of Francis Thumboo Chetty is corroborated (except in some particulars to be referred to hereafter) by the evidence of Dominick. Both Francis Thumboo Chetty and Dominick admitted that documents (pronotes) were executed to evidence the investment of Rs. 5 lakhs and also to evidence the liability of Dominick to pay a sum of Rs. 12 to 15 lakhs to Francis Thumboo Chetty, but these documents and pronotes are not forthcoming. The question therefore arises whether this alleged second transaction is true. Francis Thumboo Chetty put forward the explanation that he destroyed the pronotes as per the advice of Dominick, and the reason alleged for the destruction is that both he and Dominick wanted to destroy all evidence relating to the transactions of Francis Thumboo Chetty with Gopala Rao and Dominick. This explanation appears to us to be quite unconvincing. We fail to see how the destruction of the documents could remove all evidence relating to the business of Francis Thumboo Chetty with either Gopala Rao or Dominick. Reference has already been made to the account-sheets produced by Francis Thumboo Chetty relating to his dealings with Gopala Rao and there are bank entries relating to the dealings of Francis Thumboo Chetty with Dominick. Besides, Francis Thumboo Chetty had already, that is to say, even before the date of the alleged destruction, admitted before the Committee that he had dealings with both these persons. Dominick was in possession of properties worth lakhs and had not even contemplated to file his schedule. The destruction of documents which proved the liability of Dominick to the extent of 12 to 15 lakhs in such a context and that at a time when Francis Thumboo Chetty was facing financial ruin as alleged by him, looks extremely unacceptable, if not quite fantastic. In any case it is idle to contend that the destruction of the documents (pronotes) could remove all traces of evidence relating to the transactions of Francis Thumboo Chetty with either Dominick or Gopala Rao. Francis Thumboo Chetty, however, urged that there was no reason why he, while admitting the transactions with both Dominick and Gopala Rao in the Enquiry, should put forward a false story regarding the second transaction with Dominick. This submission does not appear to us to be either convincing or satisfactory. It may be pointed out that the story of the second transaction will enable Francis Thumboo Chetty to parade before the public as a person who had been more sinned against than sinning and to say that he had lost all that he had gained and more. Francis Thumboo Chetty states that he destroyed the documents long after the Crash and several weeks after his evidence before the Committee started. It is curious that Francis Thumboo Chetty, who preserved these pronotes and documents along with the other documents that he produced, for 2½ years after the Crash, should suddenly think of destroying only one set of documents and that too the documents which proved the liability of a person in possession of vast properties. We fail to see the reason for the advice of Dominick to destroy the documents or the action of Francis Thumboo Chetty in destroying the documents. It should be noted that Dominick, by supporting the story relating to the second transaction of Francis Thumboo Chetty with him also stands to gain for it enables him to explain away the disbursement of Rs. 5 lakhs when the accounts between him and Gopala Rao comes to be settled. The statement of Francis Thumboo Chetty is that he commenced business for the second time with Dominick in December 1945 while the evidence of Dominick is that it was commenced, not in December 1945 but in April 1945. Again, the fact that neither Francis Thumboo Chetty nor Dominick is able to say the exact amount that was due to Francis Thumboo Chetty is not without significance. The discrepancy between the minimum and maximum amount of money said to be due, which runs into three lakhs of rupees, is yet another indication regarding the truth of the second transaction. The statement of Francis Thumboo Chetty that the pronotes, which evidence the second transaction, had been seen by Mr. Sidwa, Agent of the local branch of the Central Bank and Mr. F. M. Xavier stands contradicted, as the two genltemen deny having seen those documents. There are besides, no entries in the Bank accounts to support the contention.

It must be pointed out that, even if the second transaction of Dominick is accepted as true, it may not be of any help to Francis Thumboo Chetty. It is admitted that, for the second transaction, Dominick promised interest ranging from 9 and 15 to 20 per cent and the interest on a capital of Rs. 5 lakhs for a period of 12 or 20 months will amount to either Rs. 9 lakhs or Rs. 16 lakhs. It may be legitimately argued that Francis Thumboo Chetty had drawn the above said interest in cash and with a view to keep away that fact from becoming known, has invented the story of capitalization of interest and destruction of documents. If, as a matter of fact, Francis Thumboo Chetty had realized the interest, he will have to make good to the Committee a sum of at least Rs. 4 to 11 lakhs over and above the sum already found due from him. The Committee, however, in the absence of any clear or conclusive evidence relating to the alleged second transaction, has come to the conclusion that the second transaction is not true and is of the view that it is both an afterthought and a subterfuge.

The race between Gopala Rao and Dominick to secure investments from Francis Thumboo Chetty and the manner in which he exploited that situation and obtained exorbitant rates of interest from both by playing one against the other has been touched upon in the earlier part of this Report. The question naturally arises: What was it that made both Gopala Rao and Dominick vie with each other to keep Francis Thumboo Chetty in good humour and induce him to invest with them? This aspect has been considered cursorily in the introductory portion of this Report. Both Gopala Rao and Dominick had come to entertain the definite idea that Francis Thumboo Chetty wielded enormous influence in Government circles in consequence of his position as the son-in-law of Sir T. Thumboo Chetty, the Private Secretary to His Highness, and this influence they both wanted to collar and use for the furtherance of their alleged " banking business ". The extent and potency of the 'influence' of Francis Thumboo Chetty is set out by V. T. Srinivasan, the present Comptroller to Government, in his statement to the Committee in the following words :—

> " In the case of Mr. B. N. Gopala Rao (whom also I brought on file for the first time) the action taken by me at the time appears now to have been inadequate and unsatisfactory.
>
> I have asked myself over and over again why I dealt with Mr. Gopala Rao in the manner in which I had done nearly four years ago when he appeared before me for the first time and accepted his *bona fides* without question. I have come to the following very definite answer and it is nothing more than the bare truth :—
>
> > Two letters (out of several) which Mr. Gopala Rao produced before me created the most profound impression on my mind. The first was the letter of the then Private Secretary to His Highness the Maharaja of Mysore (*Amatyasiromani* Sir T. Thumboo Chetty who was also known to be the *de-facto* Government of the time). The second was the letter of the then Financial Secretary to the Government of Mysore (*Rajasevaprasakta* M. Viraraja Urs) who was the custodian of the finances of the State. The psychological effect created on my mind by these two letters was such that I, in My turn, felt that I should accept Mr. Gopala Rao's integrity without question. Everything else followed as a logical consequence of this ".

V. T. Srinivasan had been specifically directed by the then Minister Sri O. Pulla Reddy, I.C.S., to submit a report after a thorough enquiry into the nature and extent of the 'business' of Gopala Rao, with particular reference to the alleged need of Gopala Rao to keep in his possession large number of high denomination notes for the purpose of his 'business'. It also looks as if that officer incidentally wanted the Income-tax authorities to verify whether Gopala Rao had been assessed properly to income-tax. In any case, it is clear that that shrewd, efficient and popular officer instinctively smelt a rat when Gopala Rao presented an unreasonably large number of high denomination notes to the Government for encashment in consequence of the Demonitization Ordinance. He accordingly directed a trusted officer of the Government to enquire in the matter and clear up things. It is needless to point out that, if the enquiry ordered by him had been carried out in the spirit in which it was given or in the manner in which enquiries are usually conducted or expected to be conducted by any officer of the Government, the public would have avoided a good deal of the dire consequences of the swindle otherwise known as " Financial Crash of Gopala Rao ". V. T. Srinivasan, however, did not rise to the occasion and failed to carry out the duties specifically entrusted to him. He made up his mind to send a colourless report to favour Gopala Rao without any enquiry or at best with the semblance of an enquiry, with the result that the purpose of the enquiry got short-circuited and circumvented. V. T. Srinivasan stated that he adopted this rather unusual method because of two certificates produced by Gopala Rao, one from Sir T. Thumboo Chetty and the other from Sri Viraraj Urs. This was obviously done because he wanted to avoid the possibility of facing the consequences of incurring the displeasure of Sir T. Thumboo Chetty. There is abundant material before the Committee to warrant the conclusion that the fear which deflected V. T. Srinivasan from his duty cannot by any means be said to be unfounded as it may appear at first sight. V. T. Srinivasan himself states that, at the time, he shared the opinion of the public regarding the abrupt termination of the official career in Mysore of both Sri M. A. Srinivasan and Sri O. Pulla Reddy, *viz.*, that both of them became victims to the displeasure of Sir T. Thumboo Chetty. Francis Thumboo Chetty, in his letter, Exhibit 14, dated 6th March 1944, refers to an interview between Sri Viraraj Urs, who was then the Financial Secretary, and Gopala Rao and says—

> " Dear Mr. Gopala Rao,
>
> Mr. Viraraj Urs, the Financial Secretary, wishes to see you either tomorrow evening (7th) at 9 P.M. or on the 8th instant at 9 P.M. If you wish, you may phone him up on receipt of this, and fix up the appointment.
>
> I shall see you on Wednesday at 9 P.M. without fail. Please bring the papers regarding the donation with you.
>
> Yours sincerely,
>
> F. THUMBOO CHETTY. "

Sri Viraraj Urs, who was due to retire, had apparently yielded to the persuasion or advice of Francis Thumboo Chetty, and had promised to invest with Gopala Rao. He was immediately rewarded with an extension of service. Sri Viraraj Urs himself stated that his investment with Sri Gopala Rao may have been the cause which enabled him to secure an extension. This impression was made possible because of the connection of Francis Thumboo Chetty with Sir T. Thumboo Chetty as his son-in-law. Sri Viraraj Urs stated that, after his retirement, Francis Thumboo Chetty, in the course of a talk, told him that he would have secured him another extension but by that time Viraraj Urs had decided to continue his transactions with Gopala Rao without recourse to Francis Thumboo Chetty and had also been retired from service. It must be mentioned that, when V. T. Srinivasan made an attempt to assess Gopala Rao correctly to income-tax, the papers relating to the enquiry ordered by Sri Pulla Reddy were pending before him. V. T. Srinivasan admits that Francis Thumboo Chetty interceded on behalf of Gopala Rao. The evidence before the Committee goes to show that, before Francis Thumboo Chetty decided to intercede, he was given cheque No. $\frac{\text{OC}}{2}$ 47488, dated 14th March 1946 for Rs. 1,000 by Gopala Rao on which the word "Secretary" had been written by Gopala Rao against the column "Payee". Francis Thumboo Chetty added the words "Gayana Samaj" to make the description of the 'Payee' clear and then gave the cheque to V. T. Srinivasan who was then the Secretary of the Gayana Samaj. This cheque was cashed and the proceeds credited to the funds of the Gayana Samaj. Francis Thumboo Chetty apparently felt that his intercession must be backed by a contribution to the fund in which V. T. Srinivasan was very much interested. V. T. Srinivasan vehemently asserted before the Committee that the cheque for Rs. 1,000 given by Gopala Rao, which ultimately found its way to the credit of the Gayana Samaj, did not in any way influence him in the discharge of his duty regarding the levy of income-tax on Gopala Rao or the report relating to the enquiry regarding the possession of high denomination notes. It may be that the cheque for Rs. 1,000 did not, as contended by V. T. Srinivasan, in any way, influence him in the discharge of his duties. But it is fairly clear that the intercession of Francis Thumboo Chetty must have played a large part in both the matters relating to Gopala Rao which were then pending before V. T. Srinivasan. The fact that Francis Thumboo Chetty interceded in the enquiry relating to the high denomination notes is amply borne out by Exhibit 112, the draft of Gopala Rao's explanation which bears on it the corrections in the handwriting of Francis Thumboo Chetty. It has already been pointed out that the report regarding high denomination notes was submitted without any enquiry worth the name and that as a result Gopala Rao succeeded in having the high denomination notes in his possession encashed. It is also seen that V. T. Srinivasan levied income-tax on Gopala Rao for that year on an income of Rs. 35,000 though there were materials before him to show that, in that year Gopala Rao had donated a sum of Rs. 50,000 by way of charities. It is needless to point out that a donation of Rs. 50,000 could not have been made by a person who earned an income of only Rs. 30,000. Further, there were materials before the Income-tax Officer to show that Gopala Rao had advanced a sum of Rs. 5 lakhs to Mysore Engineering Company and that, as a result, he is said to have received a sum of Rs. 60,000 by way of interest. Materials had also been placed by Gopala Rao before the Income-tax authorities to show that he had transactions with military contractors on which he received exorbitant rates of interest. Under these circumstances, the levy of income-tax on an income of only Rs. 35,000 indicates that the intercession of Francis Thumboo Chetty was effective. The episode cannot but leave a stink in the nostrils of every decent minded man and is besides a stern commentary on the ways and methods followed by the Income-tax Department. It should also give an idea of the losses to Government in the levy and recovery of income-tax.

There is clear evidence to show that Francis Thumboo Chetty played a very large part in the conferment of the title of *Dharmaratnakara* (ocean of charity) which worked as a magic wand in attracting capital to Gopala Rao. The Bank accounts of Gopala Rao show that after the title was conferred on him, a sum of Rs. 1 crore and odd poured into his hands within a short space of 4½ months. Gopala Rao states that Francis Thumboo Chetty insisted on his accepting the title much against his wish and the letters of Francis Thumboo Chetty lend colour to that statement. The fact that there are no papers to show that any recommendation was made for the conferment of the title by the Government is yet another circumstance which supports the statement of Gopala Rao that it was Francis Thumboo Chetty that was responsible for forcing the title on him.

A perusal of Exhibit 42 gives an indication of the extent of the sway of Gopala Rao over Francis Thumboo Chetty and how devilishly he had planned to use Francis Thumboo Chetty to get hold of the reserves of the Insurance Department of the Government of Mysore to keep his business going. The sentence in that Exhibit :—

> " Mr. Thirumalachar came to see me yesterday regarding the Housing Scheme. I am working it up. "

shows that Francis Thumboo Chetty and Gopala Rao were working in concert regarding the scheme referred to in the letter. That scheme related to construction of houses conceived by Gopala Rao on the ostentatious pretext of relieving the congestion of housing accommodation in the City for the benefit of the poor. His idea was to secure a crore of rupees from the reserves of the Insurance Department of the Government of Mysore for the purpose and Francis Thumboo Chetty was made to put his full weight in support of this scheme, as is admitted by him in the abovesaid letter. Fortunately, the crash of Gopala Rao came in time to save the Insurance Department from the unhappy position of figuring before this Committee as a creditor of Gopala Rao. Francis Thumboo Chetty was loud in stating before the Committee that the scheme referred to in the letter was a well thought out scheme and that there was no possibility of its being mis carried in any manner. But it must be remembered that this is just the sort of bluff by which the business conducted by Gopala Rao, Dominick and himself was continued and maintained. Francis Thumboo Chetty (apparently with a view to help Gopala Rao to secure investments from the public) presented him with a casket bearing the following inscription :—

> " PRESENTED TO Mr. B. N. GOPALA RAO IN TOKEN OF FRIENDSHIP, ESTEEM, GRATITUDE AND AS AN EXPRESSION OF ADMIRATION FOR THE UNIQUE PERSONALITY.
>
> BY FRANCIS THUMBOO CHETTY AND MEMBERS OF HIS FAMILY AND FRIENDS."

This casket was presented in 1944 and is supposed to have contained in it a sum of Rs. 75,000 being a tenth of the profit earned by Francis Tumboo Chetty and his group of investors including Sir T. Thumboo Chetty who had given a letter eulogizing the 'business' of Gopala Rao and his methods of sharing the profits with his clients. It is no doubt true that Gopala Rao, Francis Thumboo Chetty and Sir T. Thumboo Chetty all deny that a letter like the one referred to above was ever given but the evidence of respectable witnesses like Srinivasamurthy Purniah, retired Traffic Manager of South Indian Railway, Mr. Theobald, member of the Legislative Council, Safi Darasha, at present Private Secretary to His Highness the Maharaja and V. T. Srinivasan, Comptroller to the Government of Mysore, must, in our opinion, be taken as conclusive proof of its existence. All these witnesses are unanimous in stating that Sir T. Thumboo Chetty described Gopala Rao in this letter as " Financial Wizard ". The facts and circumstances narrated above are sufficient to show why Gopala Rao and Dominick vied with each other to keep Francis Thumboo Chetty in good humour and allow him unconscionably exorbitant rates of interest. It may be interesting to note that Francis Thumboo Chetty earned regularly a sum of Rs. 3,32,760, Rs. 4,05,140 and Rs. 6,29,800 in 1944, 1945 and 1946 respectively from Gopala Rao.

It will be clear from the foregoing that Francis Thumboo Chetty played a very important part in the conduct and maintenance of the 'business' of Gopala Rao and in order to do so, he used his 'Influence' to the fullest extent. The Committee finds that Francis Thumboo Chetty has violated and transgressed many of the rules regulating the conduct of Civil Servants. The transgressions are enumerated below :—

(1) He borrowed and lent out money for profit without obtaining any license under the Money Lenders' Act,

(2) He canvassed business from Officers of Government, even from his subordinates.

(3) He used his ' Influence ' with the officers of the Government to prevent the levy of proper income-tax which necessarily resulted in loss to the Government of its just dues.

(4) He did not disclose in his income-tax returns a correct statement of accounts regarding his income both in the City and in the Cantonment.

(5) He accepted a loan without interest under circumstances amounting to illegal gratification.

(6) He utilised his ' Influence ' in obtaining extensions to those officers of the Government whom he canvassed into Gopala Rao's business and had a hand in securing Gopala Rao a title which helped him to spread his net on the public.

(7) He was an active party for canvassing business to Gopala Rao knowing or having reason to believe that it was a swindle.

P. MEDAPA,
(*Chairman*).
S. NIJALINGAPPA,
(*Member*).
T. SUBRAMANYA,
(*Member*).
N. V. BABU REDDY,
Secretary.

APPENDIX II.

Serial No.	Name of party	With J. B. Dominick in February 1944 at the time of transfer to B. N. Gopala Rao.				
		Capital	Gain			Loss
		Rs.	Rs.	a.	p.	Rs.
1	F. Thumboo Chetty	1.00,000	1,45,000	0	0	
2			26,000	0	0	
3	Sir T. Thumboo Chetty	1,00,000	32,520	0	0	
4	Mrs. G. Thumbco Chetty	7,000	...			
5	R. Kemparaj	1,52,000	42,491	8	0	
			40,000	0	0	
6	Mrs. R. Amritraj	21,500	10,392	0	0	
7	Mrs. Kempraj	5,500	2,511	0	0	
8	Mrs. Swamy Chetty (Sm. Bhagyavatiyamma).	1,36,000	74,500	0	0	
9	D. J. Balaraj	15,000	4,058	0	0	
10	D. Joseph Kondappa	12,000	1,980	0	0	
11	S. Kanakaratnaraj Chetty	6,500	1,425	0	0	
			(1,620)			Discounting Hundis.
12	Mrs. Philomena Thumboo Chetty ...	9,500	3,200	0	0	
13	R. Da Costa	10,000	2,700	0	0	
14	Kurien	...	...			
15	D. K. Muniswamy Rao	10,000	3,300	0	0	
16	Mrs. Dhanamma	1,000	...			
17	P. Arogyaswamy	18,000	2,974	0	0	
18	Louis	7,000	2,100	0	0	
	Gnania Chetty	15,500	600	0	0	
	Total ...	6,26,500	3,95,751	8	0	

Order under Section 7A of the Special Enquiry Committee (Amendment) Act relating to

SRI B. APPIAH NAIDU

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BEFORE THE GOPALA RAO ENQUIRY COMMITTEE, BANGALORE.

Dated the 11th day of August 1949.

PRESENT.

Rao Bahadur P. Medapa, B.A., B.L., *Chairman.*
Sri S. Nijalingappa, B.A., LL.B., *Member,*
and
Sri T. Subramanya, B.A., LL.B., *Member.*

Government (By B. N. Gopala Rao Enquiry Committee). *Vs.* Sri B. Appiah Naidu.

ORDER UNDER SECTION 7A OF THE SPECIAL ENQUIRY COMMITTEE (AMENDMENT) ACT NO. XLIV OF 1949.

Sri Appiah Naidu is the Yajaman of a Hindu joint family consisting of himself, his son Srirama Murthy and his grand-children, the sons of Srirama Murthy. Sri Appiah Naidu was the earliest to lend moneys to Gopala Rao. He advanced moneys to Gopala Rao on pronotes but largely on dated, undated and post-dated cheques. Gopala Rao admits that he got the initial and necessary financial start for his activities from Sri Appiah Naidu who he says was one of his largest creditors.

2. After Gopala Rao's Crash in December 1946 and his adjudication on 24th February 1947 Sri Appiah Naidu filed his claim on 23rd May 1947 in I.C. 1—46-47 stating that Rs. 11,76,000 was due to him from Gopala Rao (Rs. 11,00,000 towards principal and Rs. 76,000 towards interest) and prayed that his name may be included in the list of proved creditors. His claim was supported by two sets of documents, *viz.*, pronotes and cheques.

3. The pronotes in support of his claim are five in number of the aggregate value of Rs. 4,50,000. They are:

(1) Pronote dated 26th January 1945 for Rs. one lakh in favour of Sri Appiah Naidu;
(2) Pronote dated 26th January 1945 for Rs. 30,000 in favour of Sri Appiah Naidu;
(3) Pronote dated 20th December 1945 for Rs. 70,000 in favour of Sri Appiah Naidu;
(4) Pronote dated 2nd January 1946 for Rs. 2 lakhs in favour of Appiah Naidu's son Srirama Murthy; and
(5) Pronote dated 3rd January 1946 for Rs. 50,000 in favour of Sri Appiah Naidu or Srirama Murthy either or survivor.

4. The cheques in support of his claim are seven in number of the aggregate value of Rs. 6,50,000. They are:

(1) Cheque No. B. 191764, dated 20th October 1946, on the Central Bank of India for Rs. 1 lakh;
(2) Cheque No. 191765, dated 20th October 1946, on the Central Bank of India for Rs. 1 lakh;
(3) Cheque No. 191766, dated 20th October 1946, on the Central Bank of India for Rs. 1 lakh;
(4) Cheque No. 191767, dated 20th October 1946, on the Central Bank of India, Ltd., for Rs. 1 lakh;
(5) Cheque No. 191768, dated 10th October 1946, on the Central Bank of India for Rs. 1 lakh;
(6) Cheque No. 191769, dated 15th October 1946, on the Central Bank of India for Rs. 50,000; and
(7) Cheque No. 176794, undated, on the Central Bank of India, Ltd., for Rs. 1 lakh.

5. It would be necessary to state here that Srirama Murthy, the other member of the joint family, also lent money to Gopala Rao on more or less the same terms and in the same manner as his father. He produced the following cheques issued in his favour by Gopala Rao—

(1) Cheque No. B. 175110, dated 1st April 1946, for Rs. one lakh on the Central Bank of India;
(2) Cheque No. B. 170705, dated 4th August 1946, for Rs. 45,000 on the Central Bank of India;
(3) Cheque No. B. 184265, dated 1st October 1946, for Rs. 2,50,000 on the Central Bank of India;
(4) Cheque No. B. 196641, dated 1st October 1946, for Rs. 50,000 on the Central Bank of India.

6. The case put forward by Gopala Rao is that his failure in what he calls 'his business' was due solely and entirely to the unscrupulous actions of some of his large scale investors. His contention is that he was in the habit of renewing pronotes and cheques executed or issued by him to his creditors; taking it for granted, that all the prior pronotes and cheques thus discharged would be destroyed by his creditors; but that some of his influential and large creditors had taken advantage of his trust and confidence in them and had played 'dirty' on him by demanding and obtaining payment of interest even on the discharged pronotes and cheques.

7. Gopala Rao states that he began to borrow from Appiah Naidu in the year 1934 and that by 1945 he had borrowed from him Rs. 2,25,000. His case is that in the beginning he executed pronotes and later cheques to evidence the loan. He submits that he had implicit trust in Appiah Naidu and that on account of his trust in him he renewed the pronotes and cheques executed or issued by him from time to time in discharge of the pronotes and cheques executed by him previously; but that Appiah Naidu without scruple or compunction managed to draw from him interest at heavy rates even on the discharged cheques and pronotes, and had by that means swindled him.

8. Sri Appiah Naidu's affidavit in Insolvency Court discloses that his claim against Gopala Rao for Rs. 6,50,000 is based on seven cheques issued to him by Gopala Rao and the balance of Rs. 4,50,000 is based on four pronotes executed in his favour by Gopala Rao. This position was reiterated by him in his written statement to the Committee. He further amplified before the Committee his claim based on the cheques by stating that in the month of October 1946 he gave Gopala Rao a sum of rupees three to three and half lakhs in cash and 3,500 sovereigns. It has to be mentioned here that Srirama Murthy did not prefer any claim in the Insolvency Court though he contended before us that Gopala Rao is indebted to him to the extent of Rs. 30,000 to Rs. 35,000.

9. Both Gopala Rao and Appiah Naidu admit that they did not maintain regular accounts, much less account books, regarding their transactions with each other. In fact, a perusal of the bank accounts (extracted below) reveals that both of them, far from keeping regular accounts, were trying to hide the transactions with each other as far as possible. Neither of them brought all the payments made by each to the other into his bank accounts. Payments were further made or received by either of them through the medium of bearer self-cheques and even those bearer self-cheques were got cashed through third persons. Neither of them has any oral evidence even, except their own statements, to support the respective claims against each other.

10. In the absence of clear evidence, the accounts relating to the transactions between Gopala Rao and Appiah Naidu had to be abstracted from the entries in the banks and cheques in order to ascertain the position of accounts between the two. This process, though laborious, involving as it did wading through their respective accounts in different banks, has yielded results. The following is the position of accounts which emerges from the accounts so ascertained :—

Abstract of Transactions of Sri B. Appiah Naidu and Sri B. A. Srirama Murthy with B. N. Gopala Rao and *vice versa.*

	As per B. N. Gopala Rao's Bank Accounts		As per Bank Accounts of B. Appiah Naidu and Sri B. A. Srirama Murthy	
	Payments by B. N. Gopala Rao to Sri Appiah Naidu and his son	Payments by Sri Appiah Naidu and his son to Gopala Rao	Payments to Gopala Rao by Sri Appiah Naidu	Payments by Gopala Rao to Sri Appiah Naidu
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
1935	700 0 0	...	1,000 0 0	...
1936	9,638 0 0	...	11,300 0 0	...
1937	49,149 12 0	...	19,700 0 0	...
1938	66,118 11 0	...	14,871 4 0	1,049 10 0
1939	53,224 8 0	12,560 12 0	87,309 8 0	...
1940	62,469 4 0	7,000 0 0	20,000 0 0	28,554 0 0
1941	1,80,500 6 0	32,500 0 0	46,042 0 0	1,40,063 5 0
1942	8,20,049 8 0	44,000 0 0	77,400 0 0	2,76,481 8 0
1943	4,69,6[illegible]0 0 0	2,97,000 0 0	3,47,000 0 0	5,10,935 2 0
1944	2,22,068 0 0	16,000 0 0	15,000 0 0	87,300 0 0
1945	2,56,310 0 0	1,87,000 0 0	2,17,000 0 0	...
1946	4,60,898 0 0	60,000 0 0	50,000 0 0	40,000 0 0
Total	21,41,076 3 0	6,46,060 12 0	8,66,922 12 0	10,84,886 13 0

11. A scrutiny of the foregoing table of accounts shows that a sum of Rs. 8,56,922-12-0 was paid by Sri Appiah Naidu and his son to Gopala Rao as against Rs. 21,41,076-3-0 received by them from Gopala Rao from 1935 to the end of 1946. *Prima facie* the difference between these two amounts amounting to Rs. 12,84,153-7-0 received by Appiah Naidu and his son, in excess of what they paid to Gopala Rao, must be deemed to be the gains that accrued to Appiah Naidu from Gopala Rao as a result of the transactions between them.

12. This conclusion receives considerable corroboration from a perusal of the Income-tax Returns submitted by Sri Appiah Naidu as the head of the joint family. The returns between the years 1933-34 and 1946-47 are noted below :—

Accounting years	Salary	Profits (House rents)	Business, Globe Iron Foundry	Dividends from companies	Interest on loans, etc.	Total
	Rs.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
1933—34 ...	4,200 210	309 4 6	598 1 1	8 12 0	196 0 0	5,522 11 7
1934—35 ...	4,200 450	626 10 6	582 13 7	48 12 0	880 0 0	6,789 4 1
1935—36 ...	4,200 210	677 12 8	1,201 14 8	221 8 0	625 10 0	7,139 13 4
		Loss : Insolvency of Ricky—Rs. 900.				
1936—37 ...	4,200 210	631 0 8	1,679 11 0	355 8 0	618 3 0	7,697 6 8
1937—38 ...	4,200 210	739 0 8	300 11 4	355 8 0	874 0 0	6,673 4 0
		Loss : Rs. 11,519—5—10 on account of insolvencies of borrowers.				
1938—39 ...	4,200 210	826 4 0	2,378 4 0 (Loss).	278 4 0	657 14 6	8,346 11 3
1939—40 ...	4,200 200	722 8 0	2,845 10 9 (Loss).	295 10 0	185 15 0	2,758 0 0
1940—41 ...	4,200 450	1,366 0 0	88 0 0	458 0 0 (B. N. G.'s Gold Loan)	124 0 0	7,506 0 0
1941—42 ...	4,200 420	2,573 0 0 1,756 15 6	934 2 0	435 14 0	Money-lending discontinued	7,748 15 6
1942—43 ... Bonus	4,200 460 350	2,941 14 0 2,050 5 9	767 6 8	385 10 0	...	9.115 4 5
1943—44 ... Rent D.A. Bonus	4,500 460 99—3—0 420—0—0	4,265 2 0	1,001 1 9	632 8 0	...	11,367 14 9
1944—45 ...	750 75 75	4,955 2 0	1,567 6 0	927 8 0	1,760 0 0	10,090 0 0
1945—46 ...	...	4,271 7 0	1,976 12 0	1,160 9 9	8,000 0 0	14,747 8 0
		(Rs. 5,500 on Rs. 2 lakhs of Fixed Deposit).				
1946—47 ...	...	4,700 9 4	1,921 0 0	1,206 14 0	9,600 0 0	26,698 7 4
		(Interest on the Government Securities—Rs. 9,270).				

	Rs.	a.	p.
Total income	1,27,215	15	11
Less losses due to insolvencies of borrowers	12,419	5	10
Net income	1,14,796	10	1

The Returns show that the main source of Sri Appiah Naidu's income till the date of his retirement in 1943 was his salary and that between 1933-34 and 1944-45 his yearly income never ranged beyond 5 to 10 thousand rupees while for the years 1945-46, 1946-47 and 1947-48 it was about Rs. 16,000. The Returns also show that, for the years 1941-42, 1942-43, 1943-44 and 1945-46, Appiah Naidu did not earn any interest as he had discontinued money lending business during that period.

> The Returns above all other things show that Sri Appiah Naidu did not and could not be deemed to have earned more than Rs. 1,15,000 between 1934-36 and the date of Crash of Gopala Rao in December 1946.

Appiah Naidu has admitted that he did not bring the profits that he made from B. N. Gopala Rao into his Income-Tax Returns. It is therefore obvious that Sri Appiah Naidu got the 12·84 lakhs of rupees as per the Bank accounts from Gopala Rao and not from any other source.

13. It must be mentioned here that Appiah Naidu had with him at the time of Gopala Rao's Crash in December 1946, assets estimated at about 12 lakhs of rupees. It has already been noticed that the Income-tax Returns of Appiah Naidu show that his earnings from 1933-34 to 1945-46 did not exceed Rs. 1,15,000. The obvious inference under these circumstances is that the excess of the assets, *viz.*, 12 lakhs *minus* Rs. 1,15,000 must have come to him from Gopala Rao.

14. This conclusion receives support from the admission of Appiah Naidu. Appiah Naidu's evidence is that he received no patrimony and that he started his life as a *clerk* in the Maharaja Mills in the year 1904 on a pay of Rs. 60 or Rs. 70 p.m. and that he retired from the Mills in the year 1943, when he was getting a salary of Rs. 410 p.m. It is obvious that Appiah Naidu, who received no patrimony, could not have with him assets valued at 12 lakhs of rupees and that too after his alleged loss of 11 lakhs of rupees with Gopala Rao, particularly when his limited sources of income are remembered.

15. Appiah Naidu no doubt states that, while in the Mills he lent money regularly to the labourers and had earned about Rs. 8,000 by about 1910 when he began purchasing and selling shares and that from out of the profits thus earned he purchased 1,500 sovereigns in one lot and another 2,000 in another lot in or about 1914. He adds that, after improving his financial position thus, he increased his money-lending transactions which business, he says, he continued till his retirement. He further states that, between 1922 and 1928, he did business in soapnuts, oil seeds and grains and that, from 1916, he became the

in the Insolvency Court and that he also paid for the pronotes which are filed in court.

16. Two important questions emerge for consideration as a result of these statements. They are—

(1) whether the statement that Appiah Naidu had with him 3,500 sovereigns and Rs. 3,50,000 in cash in October 1946 is true ;

(2) whether he gave the said cash and sovereigns, as alleged, to Gopala Rao for obtaining the seven cheques.

17. It must be remembered that cheques are mere directives to pay and do not by themselves prove the advance or the existence of a loan. Appiah Naidu has no accounts to prove that he paid Rs. 6,50,000 for obtaining the cheques. There are no entries in the Bank account of Appiah Naidu to suggest or warrant the conclusion that he may have paid the Rs. 6,50,000 to Gopala Rao for the cheques. There is also no oral evidence except Appiah Naidu's own statement to support his contention that he paid Rs. 6,50,000 to Gopala Rao for the seven cheques. His statement is that he gave the 3,500 sovereigns which he had bought between 1910-14 and a cash of three to three and half lakhs of rupees for the cheques. The story of the purchase of 3,500 sovereigns (1,500 in one lot and 2,000 in another in 1910 and 1916 respectively) and the retention of these sovereigns till about the end of the year of Grace 1946, that is to say, for a period of 30 years looks to us improbable. It is hardly likely that any man, much less a man of Appiah Naidu's antecedents and eagerness to earn, will keep all those sovereigns in his house for such a long period without using the same for earning interest or profit. It also looks inprobable that Appiah Naidu would have undertaken the risks connected with the safe-keeping of those sovereigns in his house for such a long time. The statement that he had Rs. 3,50,000 in cash in his house is on a par with the statement regarding the purchase and retention of sovereigns ; the more so because he had at the time accounts with several banks. It is extremely unlikely that a man would keep such a large amount of cash in his house instead of keeping it in a bank, when admittedly he had at the time accounts with Banks. No accounts, much less account books, were produced to show that he had or could have had at the time such a large amount of cash. The Income-tax Returns which reveal that between 1933-34 and 1945-46 the total amount of money earned by Appiah Naidu was not more than Rs. 1,15,000 militate against the contention of Appiah Naidu that he bought the 3,500

sovereigns or had with him Rs. 3,50,000 in cash. Appiah Naidu tried to explain away this improbability by saying that he deliberately submitted incorrect returns to the Income-tax authorities so as to avoid the levy of proper Income-tax. It may be mentioned in passing that a man who submits false returns to avoid taxation cannot be relied on to depose truthfully, when faced with a situation which may entail the loss of a fortune for want of a plausible explanation. Appiah Naidu has not taken a licence under the Money-lenders' Act to enable him to lend money. His statement that he did money-lending business even without a licence is on a par with his statement that he gave false and incorrect returns to the Income-tax authorities. Apart from these circumstances, Appiah Naidu has not produced any materials before us to warrant his contention that he carried on an extensive money-lending business and earned large profits. Appiah Naidu is not able to say, much less give particulars of the shares he bought and sold. His bank accounts do not disclose that he bought and sold shares; nor do they support his contention that he traded in soapnuts, oil seeds, grains and steel. The purchase of a few films is no doubt revealed, but Appiah Naidu admitted in his evidence before us that he made no profits from the purchase and sale of films. We have therefore to hold that the story of the purchase of the sovereigns and the possession of cash of 3½ lakhs is a fabrication intended to probabilise the story that he paid in all Rs. 6,50,000 to Gopala Rao on 16th October 1946.

18. A scrutiny of the serial numbers on the seven cheques, the counterfoils relating to them and the dates of issue or encashment of cheques bearing the previous and succeeding numbers also reveal the falsity of the statement that Appiah Naidu paid Rs. 6,50,000 on 16th October 1946. It is seen that cheque No. 176794 for Rs. one lakh was and must have been issued in April 1946 and not in October 1946. The cheque book containing the counterfoils relating to this and to the previous and succeeding cheque numbers were seized from the house of Gopala Rao. It is seen from that book that Cheque No. 176792 was issued on 1st April 1946 and cashed on the very same date. It is also seen from it that Cheque No. 176793 is dated 19th April 1946 and that it was issued to Appiah Naidu himself along with Cheque No. 176794. Appiah Naidu also admits that Cheque No. 176794 was not dated when it was issued to him but that he himself had it dated and that was when he made his application to the court for the admission of his claim. It is therefore clear that Rs. one lakh on this cheque was not and could not have been advanced on 16th October 1946 as alleged.

19. Similarly, a careful scrutiny of the attendant circumstances discloses that no payment was or could have been made for the Cheque No. 191768, dated 19th October 1946 for one lakh of rupees either on 16th October 1946 or on 19th October 1946 or at any other time in the month of October 1946. Cheque No. 176793, dated 19th April 1946, for one lakh of rupees in favour of Appiah Naidu was seized from Gopala Rao's house. A close examination of the writings on that cheque discloses that the figure '4' in the date column relating to the month has been subsequently altered to the figure '10' which indicates that on 19th October 1946 the cheque amount had to be returned to Appiah Naidu. There is no evidence or indication or even a suggestion to warrant the contention that the money due on the said cheque was paid up by or on behalf of Gopala Rao. It therefore follows that the said cheque must have been returned to Gopala Rao on 19th October 1946 and in lieu thereof Cheque No. 191768, dated 19th October 1946, was taken from him by Appiah Naidu. Likewise, a careful scrutiny reveals that Cheques Nos. 191768 and 176794 do not and could not at all relate to amounts advanced in 1946. It is seen that, on the counterfoils relating to Cheque No. 166289 for rupees one lakh issued on 19th November 1945 by Gopala Rao to Appiah Naidu (towards capital), there is the following note—

"4 @ 4; 2 @ 5"

meaning thereby that the rate of interest on Rs. four lakhs was 4 per cent per month and on the remaining two lakhs at 5 per cent per month which again shows that even on 19th November 1945 Appiah Naidu was collecting interest on Rs. six lakhs. The interest per month on Rs. six lakhs at the rate mentioned above will amount to Rs. 26,000 and it is clear that for December 1945 interest of Rs. 26,250 was actually paid by Gopala Rao to Appiah Naidu by Cheque No. 168588 on the Central Bank of India.

20. Appiah Naidu's capital with Gopala Rao rose to Rs. 6,50,000 on a payment of Rs. 50,000 on 3rd January 1946. According to the interest account slip, Exhibit 59, admitted to be in the handwriting of Sreerama Murthy (son of Appiah Naidu) seized from Gopala Rao's house, the interest per month on this Rs. 6,50,000 was Rs. 29,250. It is clear that, when Appiah Naidu's capital on 4th January 1946 itself was Rs. 6,50,000, he could not possibly have paid another sum of Rs. 6,50,000 on 16th October 1946 as contended by him to raise the total of his capital to Rs. eleven lakhs, as contended by him particularly when it is admitted that there was no withdrawal of capital in the year 1946. Again, the counterfoils of the cheques available reveal that Appiah Naidu obtained cheques Nos. 166288 and 166289 on 19th November 1945 towards his capital and that cheques Nos. 176793 and 176794 were taken in lieu of the said Cheque in April 1946. Hence it follows that the amounts relating to Cheque No. 191768, dated 19th October 1946 and Cheque No. 176794 dated 16th October 1946 each for a lakh of rupees relate back to the transactions in 1945. This accounts definitely for Rs. two lakhs out of Rs. 6,50,000. Further it has to be noted that the last series of cheques for Rs. 6,50,000 is dated 15th October 1946 and numbered 191769. All the other cheques (except Cheque No. 176794) have all serial numbers immediately preceding it. They must therefore have been issued either on 15th October 1946 or prior to that date; but as a matter of fact they all bear subsequent dates, *viz.*, 19th October 1946 and 20th October 1946. This discrepancy is yet another circumstance which would go to show that the version that Appiah Naidu paid Rs. 6,50,000 in cash on 16th October 1946 cannot be correct. Further it will be seen that in the Interest Account Slip, Exhibit 59, prepared in July 1946, particulars of interest on a total capital of Rs. 8,50,000 are made out. It therefore follows that Rs. 6,50,000 could not have been paid on 15th October 1946 for then the capital of Appiah Naidu with Gopala Rao would not be eleven lakhs but fifteen lakhs. We therefore hold that the story of Appiah Naidu that he had the 3,500 sovereigns and Rs. 3½ lakhs with him and that he gave the same to Gopala Rao on 15th October 1946 is false and it is nobody's case that the cheques were issued to Appiah Naidu for cash which had been advanced earlier to that date. Here it must also be mentioned that Appiah Naidu himself admits that no cash was paid for the pronote dated 2nd January 1946 for two lakhs of rupees and that it was executed for the accumulated interest.

21. It will be appropriate here to examine the state of accounts of Sreerama Murthy with a view to ascertain the correct position regarding the result of his connection with Gopala Rao. Sreerama Murthy has in his possession cheques of the value of Rs. 4,45,000. He tried to put forward the contention before us that he lost a sum of Rs. 30,000 to Rs. 35,000 as a result of his transactions with Gopala Rao. Sreerama Murthy admitted that he did not prefer any claim in the Insolvency Court. He also admitted that he has no accounts to prove that he either gave the money mentioned in the cheques to Gopala Rao or that he lost Rs. 30,000 to Rs. 35,000 as a result of his transactions with him. Sreerama Murthy when he was examined by the Police on 10th January 1947, stated that he made a small profit as a result of his transactions with Gopala Rao. He did not produce the cheques shown to us before the Police, even though he was questioned by them at some length; on the other hand, he told them that he had closed all his transactions with Gopala Rao before his Crash and that far from losing he had gained money from him. Under these circumstances, the case sought to be put forward by him has to be rejected. In fact Sreerama Murthy, after going through the accounts carefully with our auditor, admitted that he had taken considerable amounts in excess of what he paid to Gopala Rao and voluntarily paid a portion of the money so gained, *viz.*, Rs. 25,000 to the Committee for distribution amongst those creditors of Gopala Rao who had lost.

22. It is clear from the foregoing that Appiah Naidu and his son Sreerama Murthy have together taken Rs. 12 lakhs and odd from Gopala Rao in excess of the amount paid by them. They are therefore bound to account for the same.

23. Sri Appiah Naidu contended that the dealings of his son with Gopala Rao should be separated from his transactions with Gopala Rao and that, if that course is adopted, it will be clear that he had lost money. Appiah Naidu and his son, as already stated, are members of a joint Hindu family. The materials

on record show that Sreerama Murthy cashed some of the cheques given by B. N. Gopala Rao to Appiah Naidu and credited the said amounts to Appiah Naidu. These circumstances show that there is no force in the contentions of Appiah Naidu that his transactions must be separated from those of his son ; but even if the course suggested by Appiah Naidu is followed, the position will not be very different. Appiah Naidu himself admits that he paid Rs. 9,00,000 to Gopala Rao and received Rs. 14,00,000 from him. The difference between the two amounts, *i.e.*, Rs. 5,00,000, has to be returned by him. An examination of the Bank accounts of Appiah Naidu as suggested by him reveals the following position :—

As per B. N. Gopala Rao's Bank Account :—

		Rs.	a.	p.
Payment by Appiah Naidu to Gopala Rao	...	7,84,422	0	0
Receipts by Appiah Naidu from Gopala Rao	...	18,11,746	3	0
Profit	...	10,27,324	3	0

It is therefore clear that Appiah Naidu has taken Rs. 10,27,324-3-0 in excess and has to account for the same.

24. The materials on record lead to the conclusion that Appiah Naidu was or must at any rate be held to be aware of the fact that Gopala Rao only collected money from the gullible by the lure of the promise of heavy interest which he paid from out of the money so collected and that he did no other business. Appiah Naidu lived opposite to Gopala Rao in the same street ever since he started on his wild career and even before. He was his main prop in the begining and continued to be an important prop till the end. He took full advantage of his knowledge regarding the culpable nature of Gopala Rao's business and exploited the position by squeezing out large sums of money from him in the guise of interest for his loans. There is no doubt in our mind that his present assets are largely, if not entirely, the outcome of the money got by him from Gopala Rao. It has already been seen that Appiah Naidu has taken Rs. 18,11,746-3-0 from Gopala Rao excluding Rs. 3,29,330 received by his son B. A. Sreerama Murthy by cheques on Banks and that he paid Gopala Rao only a sum of Rs. 7,84,422. The difference must be held to be the excess money that he took from Gopala Rao which he can properly be directed to pay the Committee.

25. It was contended on behalf of Sri Appiah Naidu that this Committee has been empowered under the Ordinance only to recover from the 'creditors' of Gopala Rao, money less than or equal to but not in excess of what was taken by them over and above the money paid by them to Gopala Rao and that circumstance enjoins on the Committee the duty of determining the 'excess' by the adoption of methods usually employed in business calculations. The argument is that the Committee should find out the money paid and money taken out by Appiah Naidu and that in doing so, the Committee should accept the amounts mentioned in the pronotes and cheques as conclusive proof of the money paid by Appiah Naidu to and due from Gopala Rao. It is urged that Appiah Naidu is entitled to the presumptions of law and that he is also entitled to interests on the amounts seen on the cheques and pronotes from Gopala Rao. It has already been pointed out that cheques are in the nature of direction to pay and do not by themselves prove the advance of a loan. The cheques *prima facie* do not prove an undertaking by the drawer to pay interest to the payee. It has also been shown that the contention of Sri Appiah Naidu that he paid cash mentioned in the cheques and pronotes for the said documents cannot be accepted. Apart from these facts it must be mentioned that Gopala Rao did not carry on any business that can be said to be permitted or countenanced by law. No amount of assertion or repetition that Gopala Rao carried on 'banking business' can alter the fact that he gathered money from the public by false pretences and shared portions of it with his associate or associates either on the basis on which totalizator is run in the races or on principles analogous to the sharing of money in the conduct of a lottery. His dealings are therefore not entitled to the presumptions which he claims for them ; nor can interest be claimed for money involved in a crime. It seems to us that, in a case like this

it is best to apply as far as possible those notions of equity and natural justice which will have to be applied to cases where current coins are recovered from a felon which money is either proved or admitted to be stolen money—stolen from several persons and kept in a safe by the felon – from out of which he had spent a substantial portion. The contentions put forward on behalf of Appiah Naidu are therefore rejected.

26. Taking all the circumstances of the case into consideration and having regard to the fact that it is hard for even a rich man to pay in a lumpsum a large amount and having in mind the fact that many of the creditors of Gopala Rao vied with each other to obtain money in the guise of unconscionable rates of interest and taking into consideration the fact that, according to Appiah Naidu's Income-tax returns, he had earned in all Rs. 1,14,796-10-1 till about the date of the Crash, we feel that the ends of justice and equity will be met if Appiah Naidu is directed to pay a sum of Rs. 7 lakhs for the benefit of the creditors which we accordingly do. Time for payment one week.

P. MEDAPA,
Chairman,
28-7-49.

S. NIJALINGAPPA,
Member

T. SUBRAMANYA,
Member,
11-8-49.

N. V. BABU REDDY,
Secretary.

Order on the Claim Petition of

SRI P. S. D'SOUZA

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BEFORE THE GOPALA RAO ENQUIRY COMMITTEE, BANGALORE.

Dated the 14th day of July 1949.

PRESENT :

Rao Bahadur P. Medapa, B.A., B.L., *Chairman*,
Sri S. Nijalingappa, B.A., LL.B., *Member*,
and
Sri T. Subramanya, B.A., LL.B., *Member*.

Claim Petition, dated 26th May 1947, filed by Sri P. S. D'Souza before the District Judge, Bangalore, in I.C. No. 1—46-47 (Claim No. 480), for a sum of Rs. 1,12,500 received by transfer to this Committee under Act No. XLIV of 1949. [The Special Enquiry Committee (Amendment) Act, 1949].

ORDER.

The petitioner filed an affidavit in support of his claim for Rs. 1,12,500 in Insolvency Case No. 1 of 1946-47 on the file of the District Judge of Bangalore. He produced the following cheques in proof of his claim :—

	Rs.
(1) Cheque No. OC—3. 64819, dated 5th December 1946 on the Imperial Bank for	50,000
(2) Cheque No. B. 168604, dated 6th December 1946 on the Central Bank for	25,000
(3) Cheque No. B. 179025, dated 27th September 1946 on the Central Bank for	25,000

The petitioner's case is that interest on his first thirty thousand rupees (paid in four instalments between 25th March 1943 and 4th October 1943) was at 12 per cent per annum, but that when he paid Rs. 20,000 on 4th October 1943 an agreement was arrived at between himself and Gopala Rao according to which the petitioner was to leave the total of his capital, which then stood at Rs. 50,000, with Gopala Rao till 5th December 1946 and that on that date Gopala Rao should pay the petitioner his principal amount of Rs. 50,000 and another sum of Rs. 25,000 for and by way of interest. The petitioner further states that he increased his capital, subsequently, to a lakh of rupees and that on all these amounts he has not received any interest whatsoever as the insolvent put him off with promises of payment from time to time until he crashed.

The petitioner states that he was introduced and recommended to the insolvent, by Dr. C. F. Da Costa, and that on more than one occasion Dr. Da Costa took the petitioner to Gopala Rao to impress upon the petitioner the soundness and solvency of Gopala Rao. The petitioner however states that he never received any interest from Gopala Rao for his investment, over and above what has been admitted by him (Rs. 800) and that he never authorised or requested Dr. Da Costa or any one else to collect interest for him from Gopala Rao. The petitioner submits that the agreement between Gopala Rao and himself was that the interest should not be collected every month but should be allowed to accumulate with Gopala Rao until 5th December 1946. Dr. Da Costa on the other hand stated that he not only introduced and recommended the petitioner to Gopala Rao but that he collected interest for him from Gopala Rao at the specific suggestion and request of both the petitioner and Gopala Rao and that he paid the same to the petitioner regularly until Gopala Rao crashed. His case is that the petitioner is taking an unfair advantage of the absence of documentary evidence to provo the payment of interest to him, to bolster up his claim. It has been conclusively established that Dr. Da Costa collected interest for those creditors of Gopala Rao whom he (Dr. Da Costa) introduced. This position is admitted by all those creditors of Gopala Rao who had been introduced to Gopala Rao by Dr. Da Costa except the petitioner. The statement of Dr. Da Costa that he collected interest for the petitioner is corroborated by the evidence of Gopala Rao who says that he sent the interest due to the petitioner through Dr. Da Costa. It is therefore clear that the statement of the petitioner that, according to the agreement between him and Gopala Rao, interest was allowed to accumulate till 5th December 1946; is opposed to the evidence of both Gopala Rao and Dr. Da Costa.

The question for consideration therefore is whether the statement that no interest was paid by Gopala Rao or received by the petitioner is true or not. As already seen, the agreement alleged by the petitioner is opposed to the evidence of Gopala Rao and Dr. Da Costa. There is no documentary evidence to prove the agreement alleged; nor is there any oral evidence except the oral statement of the petitioner. The petitioner is an advocate and, as is clear from his answers, is an intelligent and careful person. It is hardly likely that a man of his intelligence and position would have allowed such a large amount of money to be locked up for years without regularly recovering interest, particularly when it is remembered that there was no security---not even an on demand note—to evidence the loan to Gopala Rao or the interest stipulated. The evidence of about 580 witnesses examined in these proceedings goes to show that the one fact which induced people to believe in the solvency of Gopala Rao was his regularity in paying the interest promised by him punctually, on the due dates and in some cases even in advance. It is quite unlikely that Gopala Rao made an exception of only one amongst his numerous creditors in the person of the petitioner. It is equally unlikely that any one, who lends out money for interest, would lend such a large amount of money, *viz.*, Rs. 1 lakh without receiving, or even fixing the rate of interest before lending. The odd period of 38 months alleged to have been fixed for the repayment of the loan and interest, is yet another circumstance which makes the agreement look somewhat queer and unbelievable. It must be mentioned here that there is internal evidence to negative the contention of the petitioner that he did not receive interest regularly but allowed it to accumulate till 5th December 1946. The petitioner's case is that, when he paid Rs. 20,000 and brought up his capital to Rs. 50,000 on 4th October 1943, Gopala Rao put forward the proposal to leave his money with him for a period of 38 months after which Gopala Rao would pay him a sum of Rs. 25,000 in a lumpsum for interest, together with his principal amount of Rs. 50,000. If this agreement was true, one would naturally expect the petitioner to have with him a cheque issued by Gopala Rao on 4th October 1943, whether dated or undated, to evidence the loan. It is however seen that the cheques produced by him in support of his claim of Rs. 50,000 could not and was not given on 4th October 1943 for that cheque was obviously taken out of a cheque book which was in use in April 1945, as is clear from the dates of the issue and encashment of the cheques bearing previous and succeeding numbers. The petitioner's contention that he got this cheque on 4th October 1943 is thus seen to be incorrect. The fact that the petitioner obtained cheques after 4th October 1943 indicates that he got his cheques renewed from time to time to prevent it from becoming stale. A perusal of the cheque bearing the number B/179025 drawn on the Central Bank of India makes this position even clearer. It will be seen from it that the figure denoting the month was originally put down as 4 (April) and that the said number was later struck off in September and the figure '9' inserted on it. It is clear that this insertion is in the handwriting of Gopala Rao. This shows that steps were being taken by the petitioner to keep the cheques given to him alive from time to time. These circumstances in their turn point to the conclusion that the petitioner must have regularly collected or received interest due on his capital; otherwise he would have taken a cheque for his principal amount including interest or take a separate cheque for interest only. The petitioner admits that he received no cheque for interest and that the cheques that he produced into court are cheques which evidence the payment of principal. If the petitioner's contention that he gave Rs. 50,000 on 4th October 1943 and allowed the interest to accumulate till 5th December 1946 on the understanding that he should get Rs. 25,000 more, by way of interest is to be believed, he should be in possession of a cheque for Rs. 75,000 or in the alternative two cheques—one for Rs. 50,000 and another for Rs. 25,000. It is unthinkable that a man of the shrewdness of the petitioner would risk the interest amounting to Rs. 25,000 without a scrap of paper to evidence it, from Gopala Rao. The counterfoil of the cheque for Rs. 20,000 issued by Gopala Rao to evidence the loan given by the petitioner on 4th October 1943 shows that the cheque must have been post-dated as 5th November 1943. This is yet another circumstance which goes to negative the version of the petitioner for, if interest on this amount was also to accumulate till 5th December 1946, there would have been no meaning or necessity to post-date the cheque by only one month. An examination of the date of issue of the cheques bearing the previous and succeeding numbers reveals that the cheque bearing

No. B168604 drawn on the Central Bank of India was issued in December 1945. These facts clearly go to show that the petitioner, who was the Public Prosecutor and Government Pleader of Civil Station for some years, has not hesitated to set up an agreement which is palpably false and to sustain it by false evidence so as to bolster up a claim. This is a matter which merits further consideration before the work of the Committee is over. We feel convinced that the evidence of Gopala Rao and Dr. Da Costa regarding the matter under discussion should be preferred to the evidence of the petitioner. We accordingly hold that the petitioner has received Rs. 75,000 as stated by Dr. Da Costa.

Every creditor who has had dealings with Gopala Rao has agreed to set off the amount received by him in the shape or guise of interest towards reduction of the principal amount due to him from Gopala Rao. We have, on the materials before us, come to the definite conclusion that Gopala Rao did not carry on any legal or lawful business but that he, along with one or two others, obtained money from the public by false pretences, with the lure of the promise of high rates of interest and distributed a portion of the money so obtained, amongst those who gave that money, in the guise of interest and divided the balance amongst themselves on principles analogous to the conduct of a totalizator in a race course or a lottery. It cannot be denied that money given or used for perpetrating an unlawful act or business cannot be allowed to earn interest. The petitioner's conduct in not taking a pronote or other security to evidence his alleged loan, his failure to fix the rate of interest on his money and to maintain proper accounts and his omission to disclose the transactions with Gopala Rao in his Income-tax Returns, point to the inference that the petitioner must have been aware of the shady character of the alleged business conducted by Gopala Rao. The petitioner himself stated in the course of his examination that he does not claim any interest for the money lent by him to Gopala Rao. We have already come to the conclusion that the petitioner has received Rs. 75,000 from Gopala Rao through Dr. Da Costa. His claim has therefore to be reduced by Rs. 75,000 and is accordingly admitted to the extent of Rs. 25,000 only.

P. MEDAPA,
Chairman. (14-7-49).
S. NIJALINGAPPA,
T. SUBRAMANYA,
Members.
N. V. BABU REDDY,
Secretary.

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FOURTH PART

(RELATES TO THE PERSONS THAT ACTUALLY INVESTED AND STOOD TO SUFFER LOSS OR GAIN)

Statement showing (1) the extent of investment with Sri B. N. Gopala Rao made by Government Officers, businessmen and other private individuals, (2) the extent of loss incurred or gain made by such investors, and (3) to what extent any of them or Gopala Rao had evaded payment of Income-tax on income earned through such investments and the law or laws violated, etc.

Sl.No.	Name and address of the investor	Amount invested	Loss incurred	Gain made	Law or laws violated	Rate of interest per cent per annum	Duration of transaction	Remarks
	GOVERNMENT OFFICERS IN SERVICE.	Rs.	Rs.	Rs.				
	Sriyuts—							
1	Dr. Miss M. C. Albuquerque, Chief Lady Medical Officer, Women's Hospitals in Mysore (since retired).	2,02,750	1,10,000	...	Income-tax Act, Government Servants Conduct Rules, Usurious Loan Act.	36 to 120	November 1944—December 1946.	Responsible for canvassing several influential clients to B. N. Gopala Rao. She must have taken commission, otherwise it is not possible to account why she evinced such tremendous interest in canvassing business for B. N. Gopala Rao.
2	Janab M. N. Ali Khan, Guard, Mysore Railways, Bangalore.	1,000	980	...	Do	24 to 36	November 1946—December 1946.	
3	Dr. V. N. Anandathirtha, Medical Officer, Shantha Bai Devarao Shivaram Sanatorium, Bangalore.	10,000	6,500	...	Do	24 to 48	May 1945—December 1946.	
4	H. K. Anandathirtha Rao, Assistant Master, Government High School, Chitaldrug.	4,000	3,920	...	Do	24	November 1946—December 1946.	
5	T. R. Ananda Murthy, Head Master, Arya Vidyasala High School, Gandhinagar, Bangalore City.	400	288	...	Do	12	August 1944—December 1946.	
6	D. Appajappa, Chargeman, Government Central Workshop, Bangalore City.	3,000	840	...	Do	108	October 1944—December 1946.	
7	Dr. S. Ananthaswamy, Bacteriologist, Public Health Institute, Bangalore.	10,000	4,200	...	Do	120	July 1946—December 1946.	
	P. Arogyaswamy, Clerk, Comptroller's Office, Bangalore.	Transactions with Sri F. Thumboo Chetty.		...	Do	...	...	A Clerk under Sri F. Thumboo Chetty. He invested his as well as several others money through F. Thumboo Chetty. He must have also made some money as commission.
	Dr. C. R. Balasubramanyam, Health Officer, Koppa, Kadur.	2,000	1,800	...	Do	108	September 1946—December 1946.	
9	G. Chandy, General Superintendent of Generation, Shivasamudram.	10,000	...	1,950	Do	18	October 1944—March 1946.	
10	M. R. Bhimasena Rao, Lecturer, Intermediate College, Tumkur.	2,000	1,640	...	Do	24	February 1946—December 1946.	
11	Dr. Mrs. M. Chandy, Assistant Surgeon, Maternity Hospital, Malleswaram, Bangalore.	15,000	9,500	...	Do	120	May 1946—December 1946.	
12	R. K. Cowsik, Statistician, Electrical Department, Bangalore.	1,600	...	648	Do	36	1944-46 ...	
13	Dalvoy Devaraj Urs, A.D.C. to H.H. the Maharaja of Mysore, and	2,000	1,700	...	Do	60	July 1946—December 1946.	
14	Col. D. Madangopala Raj Urs, A.D.C. to H.H. the Maharaja of Mysore.							

15	Capt. M. A. Fernandez, Palace Infantry, Mysore.	20,000	8,000	...	Do ...	36	December 1944—December 1946.	
16	S. Gopala Iyengar, Hydraulic Engineer, Shivasamudram (since retired).	12,000	11,000	..	Do ...	18	May 1946—December 1946.	He had invested another sum of Rs. 6,000 in the name of his wife.
17	D. Gopala Rao, Surveyor, Bangalore ...	2,000	1,500	...	Do ...	12	July 1946—December 1946.	
18	V. G. Janardan Rao, Clerk, D.T.S. Offices, Mysore Railway, Bangalore.	5,000	4,000	...	Do ...	24	May 1946—December 1946.	
	S. Kanakaratnaraj, District and Sessions Judge, Bangalore.	Investment with Sri F. Thumboo Chetty.		...	Do ...	...	...	
19	Sm. V. Kamalamma, Senior Sericultural Inspectress, Silk Farm, Sidlaghatta.	3,000	2,600	...	Do ...	24	July 1946—December 1946.	
20	Dr. D. C. Kamala, Lady Assistant Surgeon, Cheluvamba Hospital, Mysore.	8,900	3,200	...	Do ...	36 to 120	January 1945—December 1946.	
21	R. Kemparaj, Assistant Secretary, Government Life Insurance Department, Bangalore.	3,20,000	...	69,700	Do ...	36 to 120	1942—46 ...	
	K. Kesavagopal Naidu, Assistant Conservator of Forests, Bangalore.	Transaction included in Sri B. N. Bhasker Reddy's investment.		...	Do ...	...	...	
22	Sm. Lakshamma Marisiddappa, Lecturer, Maharani's College, Bangalore.	4,000	3,000	...	Do ...	24	1946 ...	
23	Dr. C. G. Lawrence, Assistant Surgeon, Kolar	10,000	5,500	...	Do ...	36 to 72	December 1945—December 1946.	Invested through her official superior Dr. Albuquerque.
24	M. N. Lakshmana Rao, Chief Engineer for Roads and Buildings, Bangalore.	5,000	...	...	Do ...	12 to 60	November 1942—December 1946.	
25	R. Muthoji Rao Scindia, Deputy Inspector-General of Police, Bangalore.	40,000	25,000	...	Do ...	24	September 1944—December 1946.	
26	M. Mallikarjuniah, Assistant Engineer, Mysore Palace, Mysore	25,500	18,000	...	Do ...	48	April 1946—December 1946.	
27	M. A. Muthanna, Chief Conservator of Forests in Mysore, Bangalore (claim in the name of Mrs M. A. Muthanna).	8,000	2,700	...	Do ...	36	February 1945—December 1946.	
28	T. A. Mohan, Assistant Commissioner of Police, Civil Station, Bangalore.	9,000	...	1,040	Do ...	24 to 36	July 1945—December 1946.	Invested through Sri S. Sarvothama Rao.
29	Capt. B. Marisiddappa, Superintendent, Medical Stores, Bangalore.	23,500	15,000	...	Do ...	96 to 120	Do ...	
30	B. R. Manickam, Government Architect, Bangalore (claim in the name of Sm. Kamala Manickam).	5,000	4,000	...	Do ...	72	November 1946—December 1946.	
31	M. Mallaraj Urs, Deputy Director of Agriculture.	21,000	3,990	...	Do ...	24 to 72	July 1943—December 1946.	Invested through his uncle Sri M. Viraraj Urs, Retired Financial Secretary to Government.
32	K. N. Narasimha Iyengar, School Master, Chamarajpet Middle School, Bangalore.	5,000	3,000	...	Do ...	36	October 1945—December 1946.	
33	M. Narayana Rao, Sub-Division Officer, P.W.D., Chitaldrug.	29,500	16,000	...	Do ...	30	January 1945—December 1946.	
34	S. Narayana Rao, Head Munshi, Munsiff's Court, Chikmagalur.	4,000	...	...	Do ...	24	1939—46 ...	

Government Officers in Service—*contd.*

Serial No.	Name and address of the investor	Amount invested	Loss incurred	Gain made	Law or laws violated	Rate of interest per cent per annum	Duration of transaction	Remarks
	Sriyuths—	Rs.	Rs.	Rs.				
35	K. Ramaswamy, Surveyor, Shimoga ...	10,000	8,600	...	Income-tax Act, Government Servants Conduct Rules, Usurious Loans Act.	42 to 48	August 1946—December 1946.	
36	B. P. Ramakrishna, Secretary, Mysore Paper Mills, Bhadravathi.	1,02,500	72,000	...	Do ...	24	June 1944—December 1946.	Matter for consideration how he was able to put together so much money, when his earning per month was Rs. 350 only.
37	P. K. Rama Rao, Clerk, Government Insurance Department (since resigned).	7,500	4,000	...	Do ...	24	April 1941—December 1946.	He is the son of Sri P. H. Krishna Rao.
38	Dr. M. N. Ramaswamy, Assistant Conservator of Forests, Bangalore.	3,000	1,800	...	Do ...	120	September 1946—December 1946.	
39	Dr. S. Ramaswamy, Assistant Professor, Central College, Bangalore.	8,000	5,000	...	Do ...	60 to 120	July 1946—December 1946.	
40	C. Rangachar. Registrar, Mysore University, Mysore.	33,000	8,000	...	Do ...	30 to 120	November 1943—December 1946.	He raised loan at a low rate and invested at a very high rate.
41	C. M. H. Ranajodha Singh, Inspector-General of Police in Mysore, Bangalore.	20,000	20,000	...	Do ...	72	December 1946.	
42	Safi Darashah, Private Secretary to H. H. the Maharaja of Mysore.	1,00,000	30,000	...	Do ...	24	August 1944—December 1946.	
43	Srinagabhushana, Principal, Technological Institute, Bangalore.	6,000	2,500	...	Do ...	30	September 1945—December 1946.	
44	M. R. Sethumadhava Rao, Surveyor, Bellara Gold Mines.	5,000	1,000	...	Do ...	24 to 30	November 1942—December 1946.	
45	K. H. Srinivasan (claim through his wife Jayalakshamma Srinivasan) Director of Agriculture in Mysore, Bangalore.	71,000	16,000	...	Do ...	24 to 120	October 1944—December 1946.	
46	P. R. Sastry, Sanitary Inspector, City Municipality, Bangalore.	2,500	2,300	...	Do ...	24	October 1946—December 1946.	
47	Dr. S. Srinivasan, Assistant Surgeon, Shimoga.	2,000	800	...	Do ...	24	1943—46	
48	R. Venkatavaradan, now Deputy Central Intelligence Officer, Hyderabad.	22,000	12,000	...	Do ...	42	1943—46	Mr. Venkatavaradan, with the intention of hiding his transaction, had invested in the name of K. V. Sundararaja Iyengar, his son-in-law. He had given a false deposition before the Police. He admitted
49	K. V. Sundararaja Iyengar, Lecturer, School of Engineering, Bangalore.							
50	Dr. S. N. Shama Rao, Sub-Assistant Surgeon, Nagamangala.	6,000	6,500	...	Do ...	24	January 1944—December 1946.	
51	S. N. Raghavendra Rao, R.A.F., Karachi ...	9,500						
52	Dr. S. Narayana Rao, Retired D.M.O. Visveswarapuram.	6,000						

53	R. Sanjeevalu, Munsiff, Bangalore ...	9,000	2,400	...	Do ...	36	August 1942—December 1946.	his transactions after his son-in-law had confessed the real nature of transactions. His conduct deserves serious notice. He is now at Hyderabad working under the Government of India. Was responsible for foiling the enquiry ordered by the then Commissioner of Police.
54	G. Sreenivasa Iyengar, Senior Assistant Botanist, Bangalore.	2,000	...	166	Do ...	24	September 1944—December 1946.	
55	K. Venkateshiah, Works Manager, Sandal Oil Factory, Mysore.	5,000	4,600	...	Do ...	24	November 1945—December 1946.	
56	N. Vedavyasachar, Overseer, P.W.D., Mysore.	7,000	3,500	...	Do ...	120	September 1942—December 1946.	
57	H. V. Visvesaraiya, Secretary to Government, P.W. and Electrical Departments, Bangalore.	10,000	1,000	...	Do ...	12 to 60	March 1944—December 1946.	
58	F. Thumboo Chetty, Secretary, Mysore Government Life Insurance Department and group :—	17,78,000	...	2,58,318	Do ...	36 to 120	February 1942—December 1946.	Full-fledged commission agent, whose case is dealt at length in a separate note.
59	P. Arogyaswamy, Clerk, Comptroller's Office, Bangalore.							
60	D. J. Balraj, Rationing Officer, Mysore ...							
61	Mrs. Dhanamma							
62	R. Da Costa							
63	Gnania Chetty							
64	Joseph de Condappa, Professor of Mathematics, 25, Rue Capucuis, Pondicherry.							
65	S. Kanakaratnaraj, District Judge, Bangalore.							
66	Kurien							
67	Louis							
68	D. K. Muniswamy Rao, Tailor and Cloth merchant, Commercial Street, Civil Station, Bangalore.							
69	Dr. A. C. Miranda, Dentist, St. Marks Road.							
70	A. Natesan, Assistant Moktesar, 67, Car Street, Ulsoor.							
71	Mrs. Philomena Thumboo Chetty, wife of F. Thumboo Chetty.							
72	Mrs. Paul							
73	Mrs. Raju (Dharmavati) 7, Promenade Road, Civil Station, Bangalore.							
74	T. A. Ratna, Surveyor, Bhadravathi ...	2,000	1,640	...	Do ...	24	January 1944—December 1946.	
75	Dr. Miss R. C. Fernandez, Medical Inspectress of Schools, Bangalore.	40,000	20,000	...	Do ...	24	1944—December 1946.	(a) It is a matter for investigation as to how he came by such a big amount being himself a poor official. (b) It is a matter for scrutiny how he invested the money of an institution. The Government may have to scrutinise its administration and frame some standing rules for its administration.
76	R. S. Prahlada Rao, Revenue Surveyor, 2, East Tank Road, Basavangudi.	1,200	400	...	Do ...	24	May 1943—December 1946.	
77	S. N. Raghavendra Rao, Attender, District Board Office, Bangalore.	700	400	...	Do ...	24	1945-46	
78	K. Ramaswamy Iyer, Nazar, District Court, Civil Station, Bangalore.	21,000	4,000	...	Do ...	24	(a) April 1943—December 1946.	
79	Sir C. V. Raman, Professor of Physics. Indian Institute of Science, Bangalore.	2,00,000	1,74,100	...	Do ...	96	(b) October 1946—December 1946.	
80	R. L. Raju, Executive Engineer, Palace Services, Mysore (claim through Venkataramanappa).	10,000	7,000	...	Do ...	36	1946	

(Departmental Library)
Accession No. 2038
Date.........

Government Officers in Service—*contd.*

Sl. No.	Name and address of the investor	Amount invested	Loss incurred	Gain made	Law or laws violated	Rate of interest per cent per annum	Duration of transaction	Remarks
	Sriyuths—	Rs.	Rs.	Rs.				
81	Dr. M. Sirsi, Bowring Hospital, Bangalore ...	5,000	3,500	...	Income-tax Act, Government Servants' Conduct Rules, Usurious Loans Act.	108	May 1946—December 1946.	
82	Major L. R. Sharma, Bowring Hospital, Bangalore.	2,000	2,000	...	Do	108	November 1946—December 1946.	
83	*Adeeb-ul-Mulk* M. Sultan Mohiyudeen, Vice-Chancellor, Mysore University (since retired).	25,000	18,000	...	Do	60 to 72	August 1946—December 1946.	Now in Pakistan. Never came out with the entire truth.
84	*Amalyasiromani* Sir T. Thumboo Chetty, Private Secretary to His Highness the Maharaja of Mysore (since retired).	1,00,000	...	1,18,027	Do	60	July 1942—February 1944—August 1945.	*Vide* the separate note.
	RETIRED GOVERNMENT OFFICERS.							
85	Dr. T. S. Anbu Pillai, Retired Assistant Surgeon, Basavangudi, Bangalore.	2,000	560	...	Do	24	January 1944—December 1946.	
86	Janab Abdul Azeez Khan, Retired Inspector-General of Police and Chairman, Mysore Sugar Co.	5,000	...	...	Do	18	January 1946—December 1946.	He refunded the interest after his extension was refused. A very clever move on his part.
87	M. S. Desan, Retired Forest Officer, Bangalore.	11,000	9,700	...	Do	18	March 1946—November 1946.	
88	Miss Lucy D'Souza, Retired from Mysore Education Service, Bangalore.	10,000	7,000	...	Do	36	August 1946—December 1946.	
89	M. N. Gopala Rao, Retired Government Officer, Bangalore.	6,000	1,000	...	Do	18	November 1942—December 1946.	
90	T. Govinda Rao, Retired Sanitary Inspector, 2796, Chamarajapuram, Mysore.	2,000	1,200	...	Do	18	October 1944—December 1946.	
91	K. Krishnaswamy, Retired Sub-Registrar, No. 9, Sannidhi Road, Basavangudi, Bangalore.	5,000	3,700	...	Do	24	December 1945—December 1946.	
92	P. H. Krishna Rao, Retired Commissioner for Economic Development and Planning in Mysore, Bangalore.	40,000	...	...	Do	Not clear	1942-46 ...	A close relation and associate of B. N. Gopala Rao. Identified with B. N. Gopala Rao's business to the extent of being his partner. Denied his investment of Rs. 40,000. Matter for consideration where he got this big sum when he was all along in financial troubles.
93	B. S. Krishna Murthy, Retired Surveyor, Krishnaraja Nagar Town.	2,000	1,800	...	Do	18	July 1946—December 1946.	
94	S. H. Lakshminarasappa, Retired Government Architect, Basavangudi, Bangalore (claim by H. L. Srinivas, son).	1,05,000	70,000	...	Do	12 to 60	May 1945—December 1946.	
95	Lt. A. A. Monteiro, Retired Live-Stock Expert, No. 5, Albert Road, Bangalore.	33,000	27,000	...	Do	36	April 1946—December 1946.	

96	H. F. Marker, Retired Superintending Engineer, Mysore P.W.D.	2,25,750	1,17,000	...	Do	30 to 60	March 1944—December 1946.	
97	T. Madhava Rao, Retired Revenue Officer, C/o T. M. Nagaraja Rao, Senior Operator, Davangere.	3,000	2,800	...	Do	60	November 1946—December 1946.	
98	Dr. Mir Mira Rama Rao, Retired Assistant Surgeon, 32, V Road, Chamarajpet, Bangalore City.	8,000	7,000	...	Do	12	August 1945—December 1946.	
99	M. Narasimhaiya, Retired Chief Engineer for Irrigation. Gavipur, Bangalore.	9,000	1,300	...	Do	24	January 1945—December 1946.	
100	S. Narasimha Iyengar, Retired Permanent Way Inspector, Bangalore.	6,000	5,800	...	Do	36	August 1945—December 1946.	
101	H. V. Narayana Rao, Retired District and Sessions Judge, Bangalore.	25,000	22,000	...	Do	12 to 18	March 1946—December 1946.	
102	Dr. V. Naronha, Retired Superintendent of Mental Hospital (since dead) and Mrs. Nora Noronha.	1,05,000	84,000	...	Do	48 to 90	June 1946—December 1946.	
103	C. T. Narasimha Iyengar, Retired Executive Engineer, 11, Krishna Road, Basavangudi, Bangalore City.	10,000	...	4,000	Do	36 to 90	February 1945—July 1946.	
104	Dr. B. Parthasarathy Iyengar, Retired Sr. Assistant Superintendent, Public Health Institute, Bangalore.	10,000	...	810	Do	36	July 1945—September 1946.	
105	Y. Raja Rao, Retired P.W.D. employee, 134, III Road, Chamarajpet, Bangalore City.	2,500	1,500	...	Do	18	March 1945—December 1946.	
106	K. S. Ramaswamy Iyengar, Retired Hony. Assistant Engineer, Mysore P.W.D.	5,000	4,500	...	Do	48	October 1946—December 1946.	
107	K. Rangachar, Retired Excise Inspector, Mysore.	28,000	14,000	...	Do	36 to 90	November 1943—December 1946.	
108	C. Raghavachar, Retired Sub-Overseer, Srirampur, Bangalore City.	5,200	2,400	...	Do	36	November 1944—December 1946.	
109	H. V. Ramaswamy, Retired Excise Commissioner (since dead)	30,000	17,000	...	Do	18 to 80	April 1944—December 1946.	
110	*Rajadharmapravina* T. Singaravelu Mudaliar, Retd. Vice-Chancellor, Mysore University.	32,500	24,000	...	Do	24 to 72	May 1945—December 1946.	
111	K. Subba Rao, Retired Superintendent, Electrical Department, 1091, Srirampuram, Bangalore City.	32,000	13,000	...	Do	36 to 90	December 1944—December 1946.	
112	*Shastravidyapravina* Dr. S. Subba Rao, Retired Senior Surgeon, Bangalore City.	13,000	7,400	...	Do	120	January 1946—December 1946.	
113	B. I. Seshagiri Rao, Retired Superintendent of Lines, Electrical Department, 60, II Cross, Basavangudi, Bangalore City.	45,000	12,000	...	Do	24 to 60	June 1941—December 1946.	Responsible for getting clients to Gopala Rao, having given a letter of appreciation and presents to him.
114	K. Subba Rao, Retired Registrar of Co-operative Societies in Mysore (now in Reserve Bank, Bombay).	5,000	3,500	...	Do	24	April 1946—December 1946.	
115	G. Sundara Rao, Retired Director, Survey and Settlements, Ex-Inspector-General of Police, Bangalore.	5,000	...	600	Government Servants' Conduct Rules, Usurious Loans Act.	36	April 1945—January 1946.	

Retired Government Officers—*concld.*

Sl. No.	Name and address of the investor	Amount invested	Loss incurred	Gain made	Law or laws violated	Rate of interest per cent per annum	Duration of transaction	Remarks
	Sriyuths—	Rs.	Rs.	Rs.				
116	K. N. Srinivasan, Retd. Asst. Supdt., Civil Veterinary Dept., 69, Gavipuram, Bangalore City.	10,000	...	5,000	Income-tax Act, Government Servants Conduct Rules, Usurious Loans Act.	30 to 90	May 1943—February 1946.	
117	K. Subba Rao, Retd. Overseer, 1306, Nagappa Block, Srirampuram, Bangalore City.	10,000	...	...	Do ...	12	July 1943—December 1946.	He is the father-in-law of B. N. Gopala Rao.
...	S. Sreenivasa Gopal, Retd. Police Inspector, Chamarajpet, Bangalore City (Included in C. S. Iyengar's claim).	...	...	...	Do ...	...	...	
118	*Rajakaryapravakta* M. Viraraj Urs, Retd. Financial Secretary to Govt., Mysore.	1,65,500	31,480	...	Do ...	24 to 72	July 1943—December 1946.	Gave a glowing certificate and a present of Rs. 15,000 to B. N. Gopala Rao.
119	S. Venkatakrishniah, Retd. Dist. and Sessions Judge, Basavangudi, Bangalore City.	1,000	...	...	Do ...	...	November 1946—December 1946.	
120	B. Sreenivasa Rao, Retd. Overseer, 28, VI Main Road, Chamarajpet, Bangalore City.	7,000	...	7,000	Do ...	48 to 72	October 1945—May 1946.	Elder brother of B. N. Gopala Rao.
121	B. Vasudeva Rao, Retd. Asst. Surgeon, Srirampuram, Bangalore.	5,000	4,400	...	Do ...	36 to 60	October—December 1946.	
	RETIRED OFFICERS OF OTHER THAN MYSORE SERVICE.							
122	K. Appaji Rao, Retd. Dist. and Sessions Judge, Andree Road, Civil Station, Bangalore.	10,000	7,800	...	Do ...	36	July 1946—December 1946.	
123	A. C. T. Booth, Retd. Civil Engineer, No. 11, Haudin Road, Bangalore.	25,000	20,000	...	Do ...	60 to 72	October 1946—December 1946.	
124	J. J. G. D'Costa, Retd. Civil Surgeon, Burma, 18, Jeremiah Road, Vepary, Madras.	99,000	...	22,000	Do ...	60 to 72	February 1942—December 1946.	
125	Major T. J. Gibson, Retd. Medical Officer, No. 2, Muslim Road, Bangalore.	10,000	6,500	...	Do ..	30	March 1945—December 1946.	
126	Miss I. Miller and T. C. Miller, Whitefield. Bangalore.	5,000	3,800	...	Do ...	36	January 1946—December 1946.	
127	C. S. Lobo, Retd. Government Official, 5-A, Victoria Road, Bangalore.	10,000	7,000	...	Do ...	36	November 1946—December 1946.	
128	E. P. Lovejoy, Retd. Post Master, No. 17, Residency Road, Bangalore.	10,000	7,700	...	Do ...	72	April 1946—December 1946.	

129	C. Mac In Tyre, Retd. Pensioner, 9 Benson Road, Bangalore.	5,000	2,200	...	Do ...	24	August 1944—December 1946.
130	K. Narasimha Murti, Retd. Parapathegar, Brahmin Valley, Mercara, Coorg.	2,300	1,139	...	Do ...	60	April to December 1946.
131	G. W. A. Pinto, P. and O. Buildings, Nicholson Road, Delhi.	19,000	15,000	...	Do ...	...	April 1946—December 1946.
132	P. Margabandu Iyer, Retd. Asst. Director of Survey, Madras.	31,300	23,500	...	Do ...	24	March 1946—December 1946.
133	C. M. Rama Rao, Retd. Dist. Edn. Officer, Coorg Service, Mercara, Coorg.	3,000	2,590	...	Do ...	108	September 1946—December 1946.
134	*Diwan Bahadur* K. Ramaswamy, Retd. Engr., Bombay Govt. Service, Bombay House, Mysore.	3,53,000	2,85,000	...	Do ...	96	August 1946—December 1946.
135	C. A. Robey, Pensioner, 5, Alexander St., Richmond Town, Bangalore.	5,000	4,200	...	Do ...	36	August 1946—December 1946.
136	R. A. Shirali, Retd. Dist. Forest Officer, 23, Saraswathipur, Dharwar.	1,00,000	75,000	...	Do ...	36	January 1946—December 1946.
137	C. Scott, Retd. Sr. Auditor, 22-A, Cubbon Road, Bangalore.	10,000	8,000	...	Do ...	60	September 1946—December 1946.
	EMPLOYEES OF HINDUSTHAN AIRCRAFT FACTORY.						
138	H. M. D'Souza, Aero Engineer, H.A. Factory, No. 14, Margareth Road, Bangalore.	35,783	33,000	...	Do ...	36	1942—1946
139	S. Gopala Rao, Secretary, Watch and Ward, H.A.F., 185, Visveswarapuram, Bangalore City.	19,000	14,000	...	Do ...	24	April 1944—December 1946.
140	S. N. Gopala Rao, H.A.F., 185, Visveswarapuram, Bangalore City.	30,100	21,500	...	Do ...	24	1944—1946
141	K. Purushothama Rao, H.A.F., 1420, Sampige Road, Malleswaram, Bangalore.	3,000	2,600	...	Do ...	24	July 1946—December 1946.
142	M. K. Thomas, H.A.F., 12, Ratnavilas Road, Basavangudi, Bangalore City.	2,000	1,800	...	Do ...	...	December 1946
143	K. S. Ramachandra Rao, H.A.F. (now businessman) 56, Gandhibazaar Road, Basavangudi, Bangalore City.	15,700	13,600	...	Do ...	60	August 1946—December 1946.
	TELEGRAPH OFFICERS ON DUTY.						
144	Gopala Krishna Prabhu, Sub-Division Officer, Telegraphs, 14-A, Infantry Road, Bangalore.	10,000	9,000	...	Do ...	48	September 1946—December 1946.

Sl. No.	Name and address of the investor	Amount invested	Loss incurred	Gain made	Law or laws violated	Rate of interest per cent per annum	Duration of transaction	Remarks
	TELEGRAPH OFFICERS (RETIRED).	Rs.	Rs.	Rs.				
	Sriyuths—							
145	W H. Bradbury, Retd. Telegraph Inspector, 15, Norris Road, Langford Town, Bangalore.	5,000	4,370	...	Income-tax Act, Government Servants' Conduct Rules, Usurious Loans Act.	48	October 1946—December 1946.	
146	C. Osborne, Retd. Telegraph Inspector, Curley St., Richmond Town, Bangalore.	6,000	4,500	...	Do ...	24	April 1946—December 1946.	
147	O. Quinne, Retd. Telegraph Engineer, 2-A, Museum Road, Bangalore	15,000	11,000	...	Do ...	24 to 36	April 1946—December 1946.	
148	F. C. Sweeny, Retd. Telegraph Engineer, Museum Road, Baagalore, and	10,000	7,300	...	Do ...	36	March 1946—December 1946.	
149	Mrs. Florence Sweeny ...							
	QUASI-GOVERNMENT CONCERNS.							
150	S. Padmanabha Rao, Sales Manager, Mysore Implements Factory, Hassan.	2,500	100	...	Do ...	24	January 1944—December 1946.	
151	B. Shivashankar Rao, Apprentice, Government Electric Factory, 1607, Sampige Road, Malleswaram, Bangalore City.	1,500	1,300	...	Do ...	36	August 1946—December 1946.	
152	T. A. Balaroyan, Mysore Paper Mills, Ltd., Bhadravathi.	1,500	780	...	Do ...	24	January 1946—December 1946.	
153	K. Umanatha Rao, Sales Manager, Mysore Paper Mills, Bhadravathi (since retd.)	15,000	10,000	...	Do ...	36	February 1946—December 1946.	
154	S. G. Kalbagal, Mysore Sugar Company, Mandya.	2,000	1,700	...	Do ...	24	September 1946—December 1946.	
155	K. Muthuswamy Iyer, Accountant, Mysore Sugar Co., Mandya.	5,500	4,900	...	Do ...	24—42	July 1946—December 1946.	
156	K. Prahlada Rao, Clerk, Mysore Sugar Co., Mandya.	2,000	...	14,105	Do ...	12—36	1944—46	Nephew of B. N. Gopala Rao and the astrologer referred to in the report. One of the prominent canvassing and commission agents of B. N. Gopala Rao.
157	K. Narasimhaiya, Sugarcane Inspector, Mandya.	2,000	1,500	...	Do ...	24—36	1946	
	RAILWAY OFFICERS (RETIRED).							
158	R. N. Wilson, Retd. M.S.M. Ry. Employee, 301, Gadag Road, Hubli (Claim by Mrs. J. B. Thomson).	45,000	12,000	...	Do ...	42	October 1946—December 1946.	

159	A. B. Vallint, Retd. Deputy Chief Train Controller, 6, Rogers Road, Richards Town, Bangalore.	20,000	18,000	...	Do ...	120	November 1946—December 1946.	
160	V. O. Unger, Retd. Engr., M.S.M. Ry., No. 2, Langford Road, Bangalore.	15,000	8,000	...	Do ...	36—120	February 1943—December 1946.	Commission Agent. Gave a letter of appreciation and several presents to B. N. Gopala Rao.
161	E. R. Tapsall, Retd. Sub-Dn. Officer, M.S.M. Ry., Madras.	16,000	13,000	...	Do ...	36	August 1946—December 1946.	
162	H. E. R. Tapsall, Retd. Signal Inspector, M.S.M. Ry., Madras.	20,000	15,000	...	Do ...	24	February 1946—December 1946.	
163	S. K. Raghavachar, Retd. Permanent Way Inspector, M.S.M. Ry., Malleswaram, Bangalore.	16,000	...	18,117	Do ...	36	September 1944—December 1946.	
164	Sreenivasa Murthy, Purnaiya, Retd. C.T.S., S.I. Ry., 53, Richmond Road, Bangalore.	35,000	32,000	...	Do ...	24—36	September 1946—December 1946.	
165	B. Mullen, Retd. Railway Employee, N. W. Railways, now in London.	5,000	4,500	...	Do ...	120	November—December 1946.	
166	B. V. Halden, Retd. Ry. Officer, now in United Kingdom.	1,45,000	65,000	...	Do ...	24—120	January 1944—December 1946.	Commission Agent.
167	A. L. Healy, Retd. Ry. Employee, 40, Haines Road, Bangalore.	20,000	18,500	...	Do ...	30	October 1946—December 1946.	
168	A. T. Gannon, Retd. Ry. Employee, East Indian Railway, 30 H. Davis Road, Bangalore.	35,000	24,000	...	Do ...	24	October 1944—December 1946.	
169	S. Doeg, Retd. Ry. Driver, No. 4, East End Road, Bangalore.	35,000	15,000	...	Do ...	24—120	1944—46	
170	T. Copeland, Retd. Ry. Officer, 42, Residency Road, Bangalore.	10,000	8,250	...	Do ...	48	September 1946—December 1946.	
171	C. H. Gilbert, Retd. Ry. Guard, 4, Eagles Street, Langford Town, Bangalore.	20,000	13,000	...	Do ...	36	April 1946—December 1946.	Commission Agent.
172	L. A. M. Sequeira, Retd. Railway Employee, 30, Langford Road, Bangalore.	6,500	3,000	...	Do ...	48	April 1946—December 1946.	Commission Agent.
	RAILWAY OFFICERS IN SERVICE.							
173	Miss L. A. Gideon, M. & S. M. Ry. Hospital, Perambur.	5,000	...	1,160	Do ...	24	October 1944—December 1946.	
174	B. K. Kuppaswamy, Dist. Engineer, M.S.M. Ry., Madras.	5,000	2,500	...	Do ...	24	October 1944—December 1946.	
175	B. K. Kasturi, Asst. Surgeon, Ry. Quarters, Guntakal.	1,000	500	...	Do ...	24	April 1945—December 1946.	
	MILITARY OFFICERS IN SERVICE.							
176	S. K. R. Bhatt, F O No. 2, Squadron, R.I.A.F., Poona 6.	2,000	1,775	...	Do ...	108—144	July 1946—December 1946.	
177	N. S. Gundu Rao, Clerk, H.I.M.S.P., No. 66, Gandhinagar, Bangalore City.	9,500	6,000	...	Do ...	12	November 1943—December 1946.	

Military Officers in Service—*concld.*

Serial No.	Name and address of the investor	Amount invested	Loss incurred	Gain made	Law or laws violated	Rate of interest per cent per annum	Duration of transaction	Remarks
	Sriyuths—	Rs.	Rs.	Rs.				
178	D. S. Monteiro, Civilian Clerk, Station Staff Office, Bangalore.	6,000	5,400	...	Income-tax Act, Government Servants Conduct Rules, Usurious Loans Act.	18	April 1946—December 1946.	
179	R. D. Raju, Military Service, Dadi Seth Road, Chowpathi, Bombay.	6,000	4,000	...	Do	108	June 1946—December 1946.	
180	Lt.-Col. E. P. Raju, Ordinance Branch, Hd. Qrs., Southern Command, Poona.	5,000	3,000	...	Do	108	June 1946—December 1946.	
181	T. R. Rao, Military Service, Delhi	3,000	2,700	...	Do	120	November 1946—December 1946.	
182	C. K. Ramachandra Rao, Resident Engineer, Military Engineering Service, Bangalore.	8,000	4,000	...	Do	36—142	October 1944—December 1946.	
183	Lt.-Col. V. R. Thayamanaswami, care of T. Singaravelu Mudaliar.	25,000	18,000	...	Do	24	April 1945—December 1946.	
	OFFICERS OF OTHER THAN MYSORE SERVICE.							
184	K. Appa Rao, Compounder, Vishakhapatnam.	1,000	910	...	Do	36	July 1946—December 1946.	
185	B. Baskar Rao, Law Lecturer, Police Training School, Vellore.	5,000	3,100	...	Do	60	February 1946—December 1946.	
186	Y. Deva Rao, Inspecting Officer, Tungabhadra Project, Munira Bad, Hyderabad.	3,760	3,000	...	Do	24—60	January 1946—December 1946.	
187	Col. A. J. D'Souza, Selbourne Nursing Home, Ootacamund.	48,000	38,000	...	Do	60—72	April 1946—December 1946.	
188	P. S. Narayana Rao, Asst. Master, Virarajpet, Coorg.	1,000	865	...	Do	108	August 1946—December 1946.	
189	P. S. Ramiah, Teacher, Virarajpet, Coorg	2,000	1,500	...	Do	108	June 1946—December 1946.	
190	P. S. Venkappiah, Teacher, Virarajpet, Coorg.	1,000	550	...	Do	108	June 1946—December 1946.	
191	N. K. N. Iyengar, Geologist, Madras Govt. Service, Salem District.	5,000	2,200	...	Do	24	August 1944—December 1946.	
192	K. Jaya Rao, Silk Technologist, Kashmir Government, Srinagar.	9,500	...	...	Do	18	January 1944—December 1946.	
193	K. V. Subramanya Sastry, State Engineer, Kotah State, Rajaputana.	5,000	4,000	...	Do	60	September 1946—December 1946.	

194	Major N. S. Bhatt, Labour Officer, Buckingham & Carnatic Mills, Madras.	5,000	3,650	...	Do ...	108	1946	
195	A. P. Colaco, Retd. Judge, Nova Goa ...	1,33,000	66,000	...	Do ...	24—42	1943—46	
196	S. Sarvothama Rao, Asst. Commr. of Police, Civil Station, Bangalore.	51,000	...	67,000	Do ...	36—90	October 1943—December 1946.	One of the main supporters and a leading Commission agent of B. N. Gopala Rao, Given letter of appreciation and presents to him.
197	*Diwan Bahadur* M. V. Vellodi, Controller of Coffee.	26,000	15,520	...	Do ...	48—72	October 1945—December 1946.	Brother of the present Chief Minister of Hyderabad.
198	Dr. V. Rebello, Goa ...	2,10,000	2,000	...	Do ...	36—120	1939—46	Commission Agent.
	MILITARY OFFICERS (RETIRED):							
199	S. S. Adcock, Military Pensioner, Langford Town.	7,500	6,400	...	Do ...	72	1946	
200	Maj. G. Broughton, Retd. from Indian Army, White Field, Bangalore.	20,000	19,000	...	Do ...	24	October 1946—December 1946.	
201	T. M. Furness, Retd. I.A.M.C., No. 14, Alfred Street, Richmond Town, Bangalore.	12,720	12,000	...	Do ...	72	November 1946—December 1946.	
202	Col. A. D. Loganathan, Ex-Army Officer (since dead).	15,000	12,000	...	Do ...	120	September 1946—December 1946.	
203	Capt. B. D. Naidu, No. 3, Miller Road Bangalore.	25,000	20,000	...	Do ...	36—72	January 1945—December 1946.	
204	C. A. Ward, Ex-Armyman, 8, Robertsonpet, Frazer Town, Civil Station, Bangalore.	5,500	4,500	...	Do ...	42	October 1946—December 1946.	
205	K. S. Krishnaraj Urs, Ex-Officer, I.A. 1—7 IInd Main Road, Chamarajapet, Bangalore City.	5,000	...	150	Do ...	18	August 1946—December 1946.	
206	C. V. Nagaraja Rao, Ex-Serviceman, 1187, Balakrishna Rao Street, Chamarajpuram, Mysore.	2,500	2,300	...	Do ...	120	November 1946—December 1946.	
	GRAND TOTAL ...	64,79,663	23,24,937	5,89,791				

N. V. BABU REDDY,
Secretary.

Statement showing (1) the extent of investment with Sri B. N. Gopala Rao made by Government Officers, businessmen and other private individuals, (2) the extent of loss incurred or gain made by such investors and (3) to what extent any of them or Gopala Rao had evaded payment of Income-tax on incomes earned through such investments and the law or laws violated, etc.

Serial No.	Name and address of the investor	Amount invested	Loss incurred	Gain made	Law or laws violated	Rate of interest per cent per annum	Duration of transaction	Remarks
	BUSINESSMEN. Srivuths—	Rs.	Rs.	Rs.				
1	K. R. Abhimanyu, Radio dealer and Engineer, 2097, South End Road, Malleswaram.	10,000	6,000	...	Income-tax Act, Usurious Loans Act.	24—48	1943-46 ...	(a) Practically Gopala Rao started his business career with Sri Appiah Naidu's advances. Sri Appiah Naidu knew all the vagaries of Gopala Rao and still encouraged to share the booty with him.
2	M. K. Ambajee Rao, Cloth Merchant, Dewan Surappa Lane, Bangalore City.	10,000	9,250	...	Do ...	60	October 1946—December 1946.	
3	Y. V. M. Achar, Cloth Merchant, Dewan Surappa Lane, Bangalore City.	10,000	9,500	...	Do ...	60	November 1946—December 1946.	
4	U. L. Ananda Rao, Proprietor, North End Hotel, Margosa Road, Malleswaram.	63,000	58,000	...	Do ...	36—60	September 1946—December 1946.	(b) He also borrowed money from several persons and lent the same to Gopala Rao at higher rates of interest. He gave a letter of appreciation along with a present of Rs. 5,000 to Gopala Rao.
5	B. Appiah Naidu, Malleswaram, Bangalore City. (a)	11,00,000	...	7,00,000	Do ...	36—180	1938-1946 ...	
6	B. R. Anjanappa, Proprietor, Maruthi Paper Mart, Sultanpet, Bangalore City.	45,000	40,000	...	Do ...	108	July 1946 to December 1946.	
7	K. R. Ananthamurthy, Link Road, Malleswaram. (b)	3,33,500	1,30,000	...	Do ...	30—90	1938-1946 ...	
8	Associated Finance and Investment Corporation. (c)	1,50,000	60,000	...	Do ...	90	1944-46 ...	(c) This was started to get more clients to B. N. Gopala Rao who was himself one of the directors along with Dr. F. H. Noronha, late Sri C. V. Rebello and others, Sri M. A. Venkata Rao, brother-in-law of Sri P. H. Krishna Rao was Secretary. With the failure of Gopala Rao this Corporation also failed for the major portion of its money had been lent to B. N. Gopala Rao without any security.
9	G. Arasappa, Cloth Merchant, 23, III Cross, Magadi Road, Bangalore City.	2,000	80	...	Do ...	24	October 1943—December 1946.	
10	Abdul Barri, Military Contractor, 12-A, Hall Road, Fraser Town, Bangalore.	1,00,000	...	40,000	Do ...	24—12	June 1945—December 1946.	
11	V. S. Arunachala Mudaliar, Merchant, 9, Osborne Road, Bangalore.	62,000	50,000	...	Do ...	24—60	February 1946—December 1946.	
12	C. R. Alvares, Medical 24, The Mail, Jabbalpore.	25,000	4,075	...	Income-tax Act, Moneylenders Act, Usurious Loans Act.	36	1943-46 ...	
13	M. Balarangappa, C/o Messrs. M. Sanjeevappa & Sons, Adoni.	3,50,000	2,40,000	...	Do ...	72	September 1946—December 1946.	
14	D. K. Belagamwalla and M. K. Belagamwalla, Merchants, No. 5, Museum Road, Bangalore City.	82,000	60,000	...	Do ...	24—120	November 1943—December 1946.	

15	K. R. Bhawarilal Jain, Bankers, No. 51, Brigade Road, Civil Station, Bangalore.	25,000	12,000	...	Do ...	36	November 1943—December 1946.	
16	G. Balaram Naidu, Merchant 158, Narayana Pillay Street, Civil Area, Bangalore.	5,000	3,000	...	Do ..	60	May 1946—December 1946.	
17	F. A. Barreto, Medical Practitioner, Panjim, Goa.	64,503	35,000	...	Income-tax Act, Usurious Loans Act.	36	May 1943—December 1946.	
18	B. N. Bhasker Reddy, Merchant, 7th Cross Road, Malleswaram and his group.	2,86,000	2,00,000	...	Do ...	72—168	June 1946—December 1946.	The amount advanced belonged to Sri Reddy and 21 of his friends.
19	G. V. Panduranga Naidu ...							
20	P. C. Rangiah Chetty ...							
21	Mrs. M. Naidu							
22	A. C. Kanniah Naidu							
23	C. Venkam Naidu							
24	L. Madhava Reddy							
25	Keshavgopal Naidu							
26	B. Raghunath							
27	C. L. Krishniah Chetty							
28	S. K. Lokiah							
29	K. V. Thippa Reddy							
30	M. D'Souza							
31	R. Jayaram							
32	K. Narasimha Chetty							
33	Venkatesh							
34	R. Venugopal							
35	V. Bhupendra Naidu							
36	P. Lakshminarayana Reddy							
37	P. S. Raju							
38	B. Madangopal Naidu							
39	T. Ramachandra Reddy							
40	K. Biligiri Iyengar, Engineer and Contractor, No. 10, Sukhalaya Cottage, 4th Cross, Shankarapuram, Bangalore City.	24,550	9,000	...	Do ...	36—90	September 1946—December 1946.	
41	B. V. Bhaskara Rao, Printer, No. 21, Ram Mohanpura, Malleswaram P.O., Bangalore City.	8,000	7,000	...	Do ...	108	December 1946 ...	
42	K. Bhimasena Rao, Businessman, 1781, Sampige Road, Malleswaram, Bangalore City.	14,000	...	...	Do ...	24	1935—1946 ...	

Businessmen—*contd.*

Serial No.	Name and address of the investor	Amount invested	Loss incurred	Gain made	Law or laws violated	Rate of interest per cent per annum	Duration of transaction	Remarks
	Sriyuths—	Rs.	Rs.	Rs.				
43	M. R. Bail, E.N.T. Specialist and Practitioner, 32, Ruker Nalla Muthu Street, Madras.	2,100	...	...	Income-tax Act, Usurious Loans Act.	12	1942—December 1946.	He is Gopala Rao's co-brother (wife's sister's husband).
44	K. S. Chakrapani, The Madras Automobiles, 22/1, Narasimharaja Road, Bangalore City.	2,50,000	1,45,400	...	Do ...	60—84	October 1945—December 1946.	
45	Dr. V. K. R. Chandran, Optician, No. 30, New Market, Bangalore City.	5,000	...	1,500	Do ...	60	October 1946—December 1946.	He also acted as a Commission Agent.
46	Chas Pericra, Businessman, 28, Dickenson Road, Civil Station, Bangalore.	14,000	...	4,080	Do ...	36	1941—December 1946.	
47	J. B. Chenoy, Dental Surgeon, Room No. 25, Hotel Bosotto, Mount Road, Madras.	10,000	9,000	...	Do ...	24	October 1946—December 1946.	
48	G. B. D'Souza, Union Pharmacy, Bangalore...	26,200	20,000	...	Do ...	30	January 1946—December 1946.	
49	N. Dasappa, Contractor, Doddakunte ...	35,000	7,500	...	Do ...	36—144	October 1944—December 1946	
50	J. M. Dias, Merchant, 20 K, South Parade (Dealing in Musical instruments).	18,000	12,000	...	Do ...	36	August 1945—December 1946.	
51	Dr. C. F. Da Costa, Stock and Share Broker, 34, Mahatma Gandhi Road, Civil Station, Bangalore.	2,50,000	...	4,00,000	Do ...	24—240	1938—46	His association with Gopala Rao's business is fully narrated in the Report. He is one of those who propped up Gopala Rao, gave him credentials, presents and got him a large clientele and made money by commission as well. He belonged to the inner circle of Gopala Rao's friends.
52	M. V. Doraswamy Naidu, Merchant, 29, 6th Main Road, Malleswaram.	4,500	100	...	Do ...	24—36	June 1943—December 1946.	
53	B. S. Erappa, Coffee Planter and Businessman, 23, Charles Campbell Road. Cox Town, Bangalore.	52,400	16,000	...	Do ...	30—144	October 1944—December 1946.	
54	C. M. Ebrahim, 40, Cockburn Road, Bangalore Cantt.	20,000	10,000	...	Do ...	84	July 1946—December 1946.	
55	Earl E. Z. Issacs, Merchant, 5-A, St. Mark's Road, Civil Station, Bangalore.	1,44,250	70,000	...	Do ...	30—60	June 1944—December 1946.	He is alleged to have made margin on the moneys lent to Gopala Rao by his mother-in-law Mrs. Rahma Moses.
56	Frank Abraham, Auctioneer, 15, St. Mark's Road, Civil Station, Bangalore.	5,000	4,850	...	Do ...	36	Augut 1946—December 1946.	
57	S. C. Gopalappa of S. C. Muniappa and Sons, Clearing and Forwarding Agents, 983, Nagarthpet, Bangalore City.	20,000	13,500	...	Do ...	24—48	December 1945—December 1946.	
58	R. Govindram, Banker, Avenue Road, Bangalore City.	15,000	12,000	...	Do ...	12	April 1946—December 1946.	

59	Gokuldâs Harbhagavandas, Bankers, 94, Avenue Road, Bangalore City.	50,000	42,000	...	Do ...	12	April 1946—December 1946.
60	K. S. Gundu Rao, Merchant, Mandya ...	14,500	12,000	...	Do ...	18	December 1944—December 1946.
61	H. T. Gururaja Rao, Proprietor, Indian Refreshment Room, City Railway Station, Bangalore.	12,500	10,000	...	Do ...	60	Agust 1946—December 1946.
62	Dr. K. S. Ganapaya, Registered Medical Practitioner, Cox Town Pharmacy, Cox Town, Bangalore.	65,000	39,000	...	Do ...	42—144	September 1945—December 1946.
63	Ganshamdas Amarchand, Bankers, Avenue Road, Bangalore City.	10,000	9,500	...	Do ...	12	April 1946—December 1946.
64	D. Giriyappa	1,05,000	60,000	...	Do ...	24	1945—1946
65	G. Appaji						
66	G. Narayan ... ... Anjaneya Silk Weaving Factory, Chikpet, Bangalore City.						
67	T. Hiriyannappa, Provision Merchant, New Market, Bangalore City.	4,000	3,400	...	Do ...	60	September 1946—December 1946.
68	G. E. Hoover, Commission Agent, Chamarajpet, Bangalore City.	75,000	...	10,500	Do ...	60	November 1945—October 1946.
69	Md. Hidayatullah and Abdul Hai, Merchants, 2080, Old Poor House Road, Civil Station, Bangalore.	50,000	30,000	...	Do ...	24	November 1944—December 1946.
70	G. Hanumanthappa, Silk Merchant, Avenue Road, Bangalore City.	25,000	6,000	...	Do ...	24	June 1943—December 1946.
71	M. Ishaq Sait, Piece Goods Merchant, 4151, St. John's Church Road, Civil Station, Bangalore.	72,000	65,000	...	Do ...	60—120	November 1946—December 1946.
72	S. Jinnappa, Merchant, Mandya ...	10,000	8,000	...	Do ...	54	December 1945—December 1946.
73	G. T. Krishnappa, Proprietor, Prabhat Stores and Agent for Sakamma Coffee Works, Mandy.	4,600	3,000	...	Do ...	36	November 1945—December 1946.
74	G. Krishnappa, Merchant, Mandya ...	5,000	4,600	...	Do ...	36	October 1946—December 1946.
75	M. S. Kumar, Engineer and Contractor, Bull Temple Road, Basavangudi, Bangalore City.	35,500	28,000	...	Do ...	36—120	March 1946—December 1946.
76	R. Krishnamurthy, Consulting Engineer, 18th Cross Road, Malleswaram, Bangalore City.	15,000	...	5,100	Do ...	24	August 1944—October 1946.
77 78 79	M. Latchmiah and A. V. K. Swamy, Royal Furnishing Co., 36, Dickenson Road, Civil Station, Bangalore.	2,68,000	...	45,370	Do ..	42—120	February 1945—December 1946.

Businessmen—*contd.*

Serial No.	Name and address of the investor	Amount invested	Loss incurred	Gain made	Law or laws violated	Rate of interest per cent per annum	Duration of transaction	Remarks
		Rs.	Rs.	Rs.				
	Sriyuths—							
80	A. Madhava Rao, Proprietor, Madras Armoury, 37, Carnisheveer Pagoda Street, Mylapore, Madras.	5,000	3,000	...	Income-tax Act, Usurious Loans Act.	60	February 1946—December 1946.	
81	Dr. B. M. Madhava Rao, Medical Practitioner, Malleswaram, Bangalore City.	18,500	14,000	...	Do ...	36—48	July 1945—December 1946.	
82	M. M. Mandalappa, Sugar Merchant, 10, Thoppa Mudaliar Street, Bangalore.	20,000	10,000	...	Do ...	48	May 1946—December 1946.	
83	A. C. Motilal, Money-lender, 133, Blackpalli Road, Bangalore.	14,000	7,500	...	Do ...	36	1942—46 ...	Gopala Rao mostly discounted cheques with this banker.
84	D. R. Madhavakrishniah, Proprietor, T. R. Mills, Chamarajpet, Bangalore City.	4,50,000	2,71,000	...	Do ...	60—180	June 1945—December 1946.	
85	M. G. Mangilal Jain, Bankers (Samboomal Gangaram), No. 49, Brigade Road, Civil Station, Bangalore.	1,65,000	...	1,663-12-0	Do ...	9—18	1944—45 ...	The transaction was mostly by discounting cheques.
86	K. M. Muneer, Partner, Basheer Bros., Military Contractors, Civil Station, Bangalore.	2,00,000	Temporary accommodation without interest.			...	......	This is a warlord; amassed huge wealth during war periods starting with paltry amounts. He successfully managed to evade payment of income-tax due on his real income. (Now in Pakistan).
87	A. S. Moses (Aaron Moses), Boot and Shoe Company, Commercial Street, Bangalore.	20,000	...	...	Do ...	42	1943—46 ...	
88	Mysore Irrigation and Construction Co. (Sri K. N. Seshadri Iyengar), Narasimharaja Road, Bangalore City.	1,11,700	...	11,615	Do ...	36—90	March 1943—December 1946.	
89	Keshavachar							
90	D. Subramanya Sastry							
91	Vaidehiamma							
92	K. N. Srinivasan							
93	Shallamma							
94	K. Narasimhiah							
95	Mysore Engineering Co. (By Sri K. Thirumalachar), Narasimharaja Road, Bangalore City.	87,000	...	49,160	Do ...	24—120	March 1942—December 1946.	
96	T. K. Iyengar							
97	Rukminiyamma							
98	K. S. Iyengar							
99	K. Seshadri Iyengar							
100	S. Kasturamma							
101	C. Rangachar							
102	K. Rangachar							
103	Byrappa							
104	C. Raghavachar							

105	Dr. K. Mangesha Rao, No. 15, Infantry Road, Civil Station, Bangalore, (Now at F-6, Anandashram, Proctor Road, Grant Road P.O., Bombay).	81,500	52,000	...	Do ...	24—72	September 1942—December 1946.	
	D. K. Muniswamy Rao, Cloth Merchant, Civil Station.	Investment through Sri F. Thumboo Chetty.		...	Do ...	...	......	
106	K. Nanjappa, Cloth Merchant, Mysore ...	27,000	15,000	...	Do ...	42	September 1945—December 1946.	
107	K. Narasimhaiya, Contractor, Vani Vilas Mohalla, Mysore.	16,000	4,000	...	Do ...	36—84	August 1946—December 1946.	
108	Dr. K. Narayana Rao, Ayurvedic Medical Practitioner, No. 18, Fort, Lal-Bagh Road, Bangalore City.	28,000	18,000	...	Do ...	30—60	March 1946—December 1946.	
109	Dr. F. H. Noronha, Medical Practitioner, 99, Brigade Road, Civil Area, Bangalore.	4,10,000	1,15,000	...	Do ...	24—30	March 1942—December 1946.	He was one of the Directors of the Associated Finance Investment Corporation, Ltd., along with B. N. Gopala Rao and late Sri C. V. Rebello; was mostly responsible for having started the Corporation to secure more clients to Gopala Rao.
110	V. S. Natarajan, Merchant, Yelahanka Tile Factory, Brunton Road, Bangalore.	1,00,000	...	15,000	Do ...	24—48	February 1945—January 1946.	
111	Oomer Yunus Sait, Merchant, No. 10, Grant Road, Civil Station, Bangalore.	3,000	2,700	...	Do ...	60	November 1946—December 1946.	
112	M. B. Pinto, Medical Practitioner, Civil Station, Bangalore.	17,000	11,000	...	Do ...	36	December 1945—December 1946.	
113	Dr. H. Panduranga Rao, Private Medical Practitioner, 394, 8th Main Road, Malleswaram.	3,000	2,900	...	Do ...	36	November 1946—December 1946.	
114	K. N. Puttaraju, Cloth Merchant, Sayyaji Rao Road, Mysore.	1,000	700	...	Do ...	108	July 1946—December 1946.	
115	Dr. J. D. Patel, Medical Practitioner, No. 2, Cunningham Crescent, Bangalore.	20,000	7,000	...	Do ...	36—84	June 1945—December 1946.	
116	P. Pinto, Managing Proprietor, Tile Factory, Rua A.V. Laurenco, Margao, Goa.	43,000	40,000	...	Do ...	72	November 1946—December 1946.	
117	Dr. A. C. Pani, Dental Surgeon, 4, Infantry Road, Civil Station, Bangalore.	15,000	13,000	....	Do ...	24—36	September 1946—December 1946.	
118	C. Perumal Chetty (since dead), C.P.C. Motor Service, Shanti Nivas, Mysore.	4,00,000	...	1,89,550	Do ...	60 to 180	November 1944—December 1946.	
119	C. Raghunathaswamy Rao Sahib, Dealer in Motor Spare Parts and Accessories, Vema Lodge, Malleswaram, Bangalore City.	15,000	6,000	...	Do ...	36	January 1945—December 1946.	
120	J. Reubens, Insurance Agent, No. 23, Cubbon Road, Civil Station, Bangalore.	3,000	2,300	...	Do ...	36—84	September 1946—December 1946.	
121	H. V. Rajan, Cloth Merchant, 130, Mysore Road, Bangalore City.	20,000	9,500	...	Do ...	120	July 1946—December 1946.	
122	Ramaswaroop Gupta, Bankers and Contractors, 164, Gandhinagar, Bangalore City.	75,000	40,000	...	Do ...	60	June 1946—December 1946.	
123	A. P. Do Rosario, Medical Practitioner, Porvorim, Goa.	35,000	24,000	...	Do ...	18—36	February 1944—December 1946.	

Businessmen—*contd.*

Serial No.	Name and address of the investor	Amount invested	Loss incurred	Gain made	Law or laws violated	Rate of interest per cent per annum	Duration of transactions	Remarks
	Sriyuths—	Rs.	Rs.	Rs.				
124	B. M. Rama Rao, Insurance Agent and Stock and Share Broker, No. 6, East Park Road, Malleswaram, Bangalore City.	16,000	11,500	...	Income-tax Act, Usurious Loans Act	36—72	July 1945—December 1946.	
125	Dr. D. Rama Rao, Proprietor, Venkatesha Pharmacy, Chamarajpet, Bangalore City.	2,500	2,400	...	Do ...	24 (Promised rate)	December 1946—(4th December 1946).	
126	A. V. Ramanamurthy, Film Businessman, 247, Gandhi Nagar, Bangalore City.	10,000	9,280	...	Do ...	12	February 1946—December 1946.	
127	Dr. M. A. Rao, c/o Messrs. Foster & Co., Marks Road, Civil Station, Bangalore.	65,000	27,000	...	Do ...	18—90	June 1945—December 1946.	
128	S. V. Ramaswamy Iyer, Agent, "The Hindu", Lakshmana Mudaliar Street, Civil Station, Bangalore.	10,000	2,000	...	Do ...	36	September 1944—December 1946.	
129	Mrs. Rahma Moses, Merchant and Land-Lady, 20, Cavalry Road, Civil Station, Bangalore.	5,48,500	3,70,000	...	Do ...	60—120	July 1946—December 1946.	
130	H. V. Ramachandriah, Registered Medical Practitioner, Malleswaram, Bangalore City.	8,000	...	1,965	Do ...	18	April 1944—December 1944.	
131	P. S. Raju, Chemist, 21, Hall Road, Richards Town, Civil Station. Bangalore.	5,000	3,600	...	Do ...	108—144	May 1946—December 1946.	
132	M. H. Raza, Proprietor, Novelty Goods Stores, 5A, Brigade Road, Civil Station, Bangalore.	64,830	...	7,000	Do ...	36—48	October 1943—December 1946.	
133	Mrs. Feroz Talyarkhan ...							
134	K. S. Ramiah, Branch Manager, Hindustan Co-operative Insurance Co., Ltd., Bangalore City.	1,00,000	56,000	...	Do ...	60—144	July 1946—December 1946.	
135	K. V. P. Rao of Firestone Tyre Co., 16, Thirumoorthy Street, T.Nagar, Madras.	65,000	20,000	...	Do ...	72—144	June 1945—December 1946.	
136	D. Selvaraj, Proprietor, Madane Metal Works, Narasimharaja Road, Bangalore City.	9,000	4,800	...	Do ...	18—36	February 1944—December 1946.	
137	S. Rajendran, s/o above ...	3,000	2,900	...	Do ...			
138	Srimati Rajambal., d/o Sri Selvaraj ...	3,000	1,500	...	Do ...			
139	Dr. T. A. Susai Royan, Registered Medical Practitioner, Basavangudi, Bangalore City.	5,000	1,800	...	Do ...	24	February 1944—December 1946.	
140	E. N. Swamy, Businessman, 44, East Park Road, Malleswaram (claim by Mrs. Ponnammal).	1,000	400	...	Do ...	36	November 1946	Small Commission Agent.

141	Dr. K. R. Srikanteswar, Medical Practitioner and Dental Surgeon, No. 6, North Road, Basavangudi, Bangalore City.	2,000	1,700	...	Do ...	18	December 1945—December 1946.	
142	Dr. C. R. C. Sekhar, Registered Medical Practitioner, Anekal.	2,000	2,000	...	Do ...	108	November 1946	
143	C. A. Shucoor, Merchant, No. 3, Kemp Road, Civil Station, Bangalore.	25,000	15,000	...	Do ...	24—60	December 1945—December 1946.	
144	Dr. A. R. Subba Rao, Registered Medical Practitioner, 983-83/1, Gita Road, Chamarajapuram, Mysore.	3,000	2,500	...	Do ...	60	November 1946—December 1946.	
145	Sitaldas, Contractor, No. 196, Gandhinagar, Bangalore City.	5,000	4,000	...	Do ...	120	September 1946—December 1946.	
146	Dr. R. Susainathan, Medical Practitioner, 47, 2nd Road, Chamarajpet, Bangalore City.	20,000	16,000	...	Do ...	36	June 1946—December 1946.	
147	Dr. C. Shankariya, Registered Medical Practitioner, 2126, I Cross Road, Malleswaram, Bangalore City.	5,000	3,500	...	Do ...	45—90	September 1946—Decembar 1946.	
148	A Seenappa, Merchant, Mandya ...	1,24,932	1,10,000	...	Do ...	18—120	April 1945—December 1946.	
149	V. Smith, Radio Serviceman, No. 20, Hosur Road, Civil Station, Bangalore.	8,000	6,500	...	Do ...	24	June 1946—December 1946.	
150	V. Sundararajulu Chetty, Commission Agent, No. 9, Anthony Street, Royapettah, Madras.	7,000	6,000	...	Do ...	84	December 1946	
151	D. C. Shroff, Formerly Manager, Forster & Co., No. 14, Grant Road, Civil Station, Bangalore.	7,000	6,500	...	Do ...	84	December 1946	
152	K. V. Srinivasasetty, General Merchant, Mandya.	2,000	1,600	...	Do ...	42	September 1946—December 1946.	
153	H. C. Suryanarayana Rao, Merchant, 2132, Link Road, Malleswaram, Bangalore City.	10,000	9,000	...	Do ...	120	November 1946—December 1946.	(*a*) She got about 80 of her relations and friends to advance moneys to Gopala Rao while she herself withdrew all her money about September 1946 being a shrewd lady. Her following had no direct dealings with Gopala Rao and she herself gave the rates of interest to them having a fair margin to herself.
154	V. K. Shaligram, Businessman, 519/A, Block A, Beson Lodge, College Road Bombay No. 19.	32,000	22,000	...	Do ...	18—120	April 1944—December 1946.	
155	C. M. Swamy, Merchant, 4, Crescent Road, High Grounds, Bangalore.	40,000	29,000	...	Do ...	36—96	September 1945—December 1946.	
156	S. Sitaram, Engineer and Contractor, Steel Construction Co., Shankarapuram, Bangalore City.	15,000	6,000	...	Do ...	120	April 1946—December 1946.	
157	Srimati D. Sakamma, Sakamma's Coffee Works, Bull Temple Road, Basavangudi, Bangalore City. (*a*)	2,80,000	...	3,00,000	Do ...	48—144	August 1944—December 1946.	

Serial No.	Name and address of the investor	Amount invested	Loss incurred	Gain made	Law or laws violated	Rate of interest per cent per annum	Duration of transaction	Remarks
	Sriyuths—	Rs.	Rs.	Rs.				
158	Saradarmal Bhabuthmal, Bankers, Balepet, Bangalore City.	3,15,000	...	5,000	Income-tax Act, Usurious Loans Act.	36—120	November 1934—December 1946.	
159	M. M. Salauddin, Tamarind Merchant, 112, Kodambakam Road, Madras.	20,000	...	3,000	Do ...	60	September 1946—December 1946.	
160	B. A. Sriramamurthy, son of Sri B. Appiah Naidu, Globe Iron Foundry.	4,45,000	...	25,000	Do ...	36—144	1939—46	
161	D. H. Tarapore, Engineering Contract, 6, Spencer Road, Civil Station, Bangalore.	50,000	42,000	...	Do ...	36—90	May 1946—December 1946.	
162	M. B. Thiwari, Merchant, No. 6, Kankanhalli Road, Basavangudi, Bangalore City.	1,99,000	...	1,25,000	Do ...	60—180	1942—46	
163	Tarumal Bhajandas, Bankers, No. 12, Ganigarpet, Bangalore City.	10,000	...	...	Do ...	...	......	Has discounted bills. Accounts not furnished.
164	W. H. Theobald, M.L.C. Narasimharaja Mohalla, Mysore.	10,000	8,250	...	Do ...	60	April 1946—December 1946.	
165	N. P. Ubhyakar, Partner, Cosmic Commercial Company, Yarn Merchants, 563, 18th Cross Road, Malleswaram, Bangalore City.	1,98,000	1,10,000	...	Do ...	36—96	July 1946—December 1946.	
166	N. D. Ubhyakar, Merchant, Abshot, High Grounds, Bangalore.	20,000	10,000	...	Do ...	144	August 1946—December 1946.	
167	S. S. Ubhyakar, Manager, Devarao Shivaram's Office, 94, Gandhi Nagar, Bangalore.	25,000	13,000	...	Do ...	144	August 1946—December 1946.	
168	G. D. Ubhyakar, Merchant, 21, Race Course Road, Bangalore City.	25,000	13,000	...	Do ...	144	August 1946—December 1946.	
169	D. Venkatagiri Rao, Registered Medical Practitioner, Dodballapur.	4,000	3,300	...	Do ...	108	July 1946—December 1946.	
170	*Dharmaprakasa* L. S. Venkaji Rao, Stock and Share Broker (Proprietor, Lokkur & Co.,) Bangalore City.	50,000	...	7,500	Do ..	60	May 1944—February 1945.	
171	S. Venkatappa, Contractor, 374, Visveswarapuram, Bangalore City.	20,000	...	...	Do ...	...	March 1945—September 1945.	Stated to have lent without interest.
172	M. Veeraraja Urs, Proprietor, Chamundi Electric Stores, Mysore.	18,000	3,420	...	Do ...	24—72	July 1943—December 1946.	
173	A. J. D. Wiltshire, Wiltshire Garage, 6, Church Street, Bangalore.	8,500	6,200	...	Do ...	36	1946	
	GRAND TOTAL ...	97,87,065	32,04,005	19,48,003-12-0				

N. V. BABU REDDY,
Secretary.

Statement showing (1) the extent of investment with Sri B. N. Gopala Rao made by Government Officers, Businessmen and other private individuals, (2) the extent of loss incurred or gain made by such investors and (3) to what extent any of them or Gopala Rao had evaded payment of income-tax on incomes earned through such investments and the law or laws violated, etc.

Serial No.	Name and address of the investor	Amount invested	Loss incurred	Gain made	Law or laws violated	Rate of interest per cent per annum	Duration of transaction	Remarks
	OTHER PRIVATE INDIVIDUALS.	Rs.	Rs.	Rs.				
	Sriyuths—							
1	Apithammal, 4, New Colony, Tuticorin ...	1,000	820	...	Income-tax Act, Usurious Loans Act.	36	June 1946—December 1946.	
2	R. Aldrich, Snaize Compound, Brigade Road, Bangalore.	5,000	4,820	...	Do ...	42	December 1946	
3	K. Atmarama Rao, c/o Associated Cement Co., Bangalore.	2,000	1,700	...	Do ...	60	1946	
4	K. R. Abhimanyu for Chitrangada Devi, 2097, South End Road, Malleswaram.	1,500	750	...	Do ...	24	1945—1946	
5	M. N. Appanna, Land-lord, Mercara, Coorg ...	1,37,500	...	...	Do ...	30—96	1945—1946	He was a Commission Agent as well.
6	E.E. Adams, Secretary, Bowring Institute, Bangalore.	6,000	...	...	Do ...	30	8th January 1946-21st Jan. 1946	
7	Rev. P. Aranjo, St. Germain's High School, Cleveland Town, Bangalore.	8,000	...	5,725	Do ...	30	May 1944—September 1946.	
8	Mrs. A. V. Asprey, 6, St. John's Church Road, Bangalore.	4,000	3,000	...	Do ...	30	March 1946—December 1946.	
9	Ambujammal (now deceased) 12, Venkatappa's lane, Chikkamavalli, Bangalore City.	2,000	980	...	Do ...	36	1945—1946	
10	Andalamma, c/o N. T. Chari, Sugar Company, Mandya.	7,000	4,180	...	Do ...	18—36	1944—1946	
11	Sm. Ankamma, Ulsoor (since dead)—Claim by son J. S. Sreenivasa Reddi	21,000	7,000	...	Do ...	108—144	October 1946—December 1946.	
12	Mrs. Amritraj, 11 Spencer Road, Bangalore.	32,000	...	12,097	Do ...	12—60	October 1941—December 1946.	
13	C. P. Appanna, Land-lord, Chettalli, Coorg ...	10,000	8,500	...	Do ...	60	1946	
14	C. Bowell (now deceased) 21, Melrose Avenue, Mitcham, Surrey, England.	5,000	3,700	...	Do ...	24	December 1945—December 1946.	
15	Mrs. M. K. Bopayya, Race Course Road, Mercara.	6,000	5,000	...	Do ..	60	October 1946—December 1946.	
16	M. Bashratullah (now in Pakistan Army) c/o N. Bheemachar, Advocate, Bangalore ...	7,500	3,300	...	Do ...	36	1945—46	
17	A. J. Barretto, Margao c/o P. N. D'Souza, 7, Rest House Road, Bangalore.	35,000	25,000	...	Do ...	18	1946	

Other Private Individuals—*contd.*

Serial No.	Name and adress of the investor	Amount invested	Loss incurred	Gain made	Law or laws violated	Rate of interest per cent per annum	Duration of transaction	Remarks
	Sriyuths—	Rs.	Rs.	Rs.				
18	Sm. Bharatamma, Cook, 1764, Sampige Road, Malleswaram, Bangalore City.	2,500	1,350	...	Income-tax Act, Usurious Loans Act.	18	June 1946—December 1946.	
19	A. T. Boult, 9, Alfred St. Richmond Town, Bangalore.	10,000	7,930	...	Do ...	36	1946	
20	B. Dasappa, Coffee Planter, Suntikoppa, Coorg.	1,88,940	50,000	...	Do ...	60—144	March 1945—December 1946.	
21	D. C. Basappa, c/o Sm. D. Sakamma, Coffee Planter, Basavangudi, Bangalore City.	2,90,200	63,000	...	Do ..	60—72	April 1945—December 1946.	
22	Byrappa, Agriculturist, Kethmaranahalli, Malleswaram, Bangalore City.	35,000	...	...	Do ...	36—60	July 1944—December 1946. Some portion withdrawn leaving Rs. 10,000 in October 1946.	
23	D. Chennabasappa, Coffee Planter, Somwarpet, Coorg.	2,35,450	57,400	...	Do ...	36	April 1945—December 1946.	
24	Sm. D. Chennamma, Doddamane, Somwarpet, Coorg.	9,400	4,700	...	Do ...	36	April 1945—December 1946.	
25	Mrs. A. P. Colaco *alias* M. A. Colaco ...	3,000	2,700	...	Do ...	24—42	1946	
26	N. K. Cheluvarajan, Rspresentative, Liptons, Ltd., Bowringpet.	1,500	1,400	...	Do ...	36	1946	
27	B. Chennamma, 5, Hardinge Road, Chamarajpet, Bangalore City.	11,000	7,200	...	Do ...	60—120	September 1945—December 1946.	
28	L. G. D. Colaco *alias* Louis Colaco, Land-lord, Goa.	66,000	62,000	...	Do .	60	1946	
29	F. B. Colah, Retd. Manager, Minerva Mills, 2, Cunningham Crescent, Bangalore.	36,000	8,000	...	Do ...	24—60	October 1941—December 1946.	Gave credentials and presents to B. N. Gopala Rao.
30	D. Chikkanna, Coffee Planter, Somwarpet, Coorg.	1,71,370	50,000	...	Do ...	60	March 1945—December 1946.	
31	F. A. Claudius by V. O. Unger, 2, Lanford Road, Bangalore.	2,83,823	97,400	...	Do ...	60	November 1943—December 1946.	
32	Mrs. L. B. Clarke, No. 8, Grant Road, Bangalore.	15,000	9,000	...	Do ...	48	March 1945—December 1946.	
33	Julia G. Craft, 42, Residency Road, Bangalore	5,000	4,500	...	Do ..	42	1946	
34	Mrs. C. M. Cariappa, c/o C. P. Appanna, Chettalli Estate, Coorg.	6,000	4,900	...	Do ...	36—60	1945—1946	
35	Marshall De Souza, Arrarim, Saligo, Goa ...	40,000	36,000	...	Do .	72	October 1946—December 1946.	
36 37	F. F. Dhalla and Miss K. F. Dhalla, Residency Road, Bangalore.	65,000	58,000	...	Do ...	24	1946	

38	Mrs. Comilla Da Costa, 18, Race Course Road, Bangalore.	5,000	5,000	...	Do ...	60	1946	
39	Mrs. Emmaline Da Costa, 18, Race Course Road, Bangalore.	2,13,000	11,500	...	Do ...	24—120	1943-46	Contributed towards the so called ‘ blessed money ’ in response to Sri C. V. Rebello’s call.
40	Mrs. L. D’Souza, 8, Rest House, Crescent, Bangalore.	31,000	7,750	...	Do ...	30	1944-46	
41	M. J. Dastur. 45, Infantry Road, Bangalore...	50,000	45,000	...	Do ...	36	1945-56	
42	K. J. Dastur, 45, Infantry Road, Bangalore...	16,400	8,700	...	Do ...	36	1946	
43	Mrs. M. H. Downie, 30, Mosque Road, Fraser Town, Bangalore.	6,000	4,100	....	Do ...	24	1946	
44	J. K. Dastur, 45, Infantry Road, Bangalore...	10,000	8,700	...	Do ...	36	1946	
45	Soli K. Dastur, 45, Infantry Road, Bangalore.	20,000	16.000	...	Do ...	36	1946	
46	Mrs. Diana R. N. Mirza, 22, Grant Road, Bangalore.	5,000	3,900	...	Do ...	36	1946	
47	N. H. Delal, 7-A, Spencer Road, Bangalore ...	51,500	44,500	...	Do ...	90	1946	
48	Rajkumari L. Desaraj Urs, Palace Road, Bangalore.	1,63,000	1,09,000	...	Do ...	36	1946	
49	Mrs. Nellie D’Souza, 27, Brigade Road, Bangalore.	10,000	6,900	...	Do ...	48	1946	
50	Mrs. E. M. Daly, 4, Longford Gardens, Bangalore.	20,000	15,000	...	Do ...	30	1946	
51	Mrs. S. Dhanvant Raj, 6-D Robertson Road, Fraser Town, Bangalore.	2,500	2,350	...	Do ...	72	March 1946—December 1946.	
52	R. Dhanvant Raj, 6-D, Robertson Road, Fraser Town, Bangalore.	5,000	4,300	...	Do ...	72	March 1946—December 1946.	
53	J. D. R. D’Souza, Land-lord, Vascodegama ...	8,53,600	60,000	...	Do ...	24—60	1942-46	
54	P. N. De Souza, 7, Rest House, Crescent, Bangalore.	1,51,500	20,000	...	Do ...	18—42	1941-46	Gave a letter of appreciation and presents to B. N. Gopala Rao.
55	Mrs. G. M. Dastur, 3, Grant Road, Bangalore.	15,000	12,000	...	Do ...	90	September 1946—December 1946.	
56	M. M. D’Souza, 8, Perry Cross Road, Bandra, Bombay.	3,000	2,700	...	Do ...	54	November 1946	
57	Mrs. Maisy De Souza, by Agent T.D.M., Fernandez.	12,000	5,500	...	Do ...	36	June 1945—December 1946.	
58	D. H. Dasappa, Coffee Planter, Somwarpet, Coorg.	77,800	23,000	...	Do ...	36—108	February 1945—December 1946.	
59	C. C. Do R. S. M. Da Costa, 1, Museum Road, Bangalore.	33,000	28,000	...	Do ...	60	1946	
60	Mrs. Edith Menazes, 25, Kalasipalyam, Bangalore.	5,000	4,250	...	Do ...	90	October 1946—December 1946.	
61	T. K. Ethirajulu, Manager, B. R. V. Talkies, Bangalore.	35.000	...	900	Do ...	36	January 1946—June 1946.	
62	Mrs. A. Fernandez, 9-A, Walton Road, Bangalore.	15,000	800	...	Do ...	36	1944-46	
63	H. J. Furtado, 5, Hayes Road, Bangalore ...	46,000	33,000	...	Do ...	36—96	December 1945—December 1946.	
64	W. Fernandez, 27, Castle Street, Bangalore ...	5,000	2,350	...	Do ...	24—48	1945-46	
65	J. P. Fernandez, Santa Cruz, Bombay ...	6,000	4,300	...	Do ...	36	May 1946—December 1946.	

Other Private Individuals—*contd.*

Serial No.	Name and address of the investor	Amount invested	Loss incurred	Gain made	Law or laws violated	Rate of interest per cent per annum	Duration of transaction	Remarks
	Sriyuths—	Rs.	Rs.	Rs.				
66	D. R. Fernandez, 2, Nilasandra Road, Bangalore.	5,000	4,500	...	Income-tax Act, Usurious Loans Act.	120	November 1946—December 1946.	
67	T. D. M. Fernandez, 90, Walton Road, Bangalore.	17,710	3,700	...	Do ...	36—108	December 1944—December 1946.	
68	F. M. Francis, Bible Student, 33-F, Paranjothi Road, Fraser Town, Bangalore.	5,000	1,500	...	Do ...	24	1943-46	
69	H. Fox, 22, Cubbon Road, Bangalore ...	90,000	25,000	...	Do ...	36	1943-46	
70	Mrs. J. Franco, Sidapet, Madras ...	35,000	13,000	...	Do ...	60	1946	
71	A. Fazal Khan, care of Madras Race Club ...	10,000	...	3,000	Do ...	48	1946	
72	T. Gopala Rao Padake, Clerk, Bangalore City Co-operative Society, Chamarajpet, 132, Gavipur Guttahalli, Bangalore City.	6,600	3,000	...	Do ...	18	December 1943—December 1946.	
73	P. Govinda Rao, Secretary, Union Life Assurance Co., Bangalore, 29, Lalbagh Road, Bangalore.	2,000	1,400	...	Do ...	30	August 1946 December 1946.	
74	N. Gopala Rao, Compounder, Venkatesh Pharmacy, Bangalore City.	2,000	1,700	...	Do ...	60	August 1946—December 1946.	
75	D. Gangamma, Doddamare, Somvarpet, Coorg.	2,600	1,600	...	Do ...	36—108	February 1946—December 1946.	
76	N. K. Ganapaya, Manager, Madapur Estate, Coorg.	1,100	648	...	Do ...	60	January 1946—December 1946.	
77	D. K. Gowramma, care of D. N. Krishniah, High School Teacher, Mercara.	400	380	...	Do ...	108	August 1946—December 1946.	
78	N. Gangamma, Somwarpet, Coorg ...	3,500	2,000	...	Do ...	36—120	April 1946—December 1946.	
79	Miss Gladys Vaz, 4-D, Andree Road, Bangalore.	4,000	3,000	...	Do ...	36	Novermber 1946—December 1946.	
80	G. Gajanan Rao, care of Tomco Sales, Vizagpatam.	1,500	1,300	...	Do ...	36	September 1946—December 1946.	
81	Gopalappa, Barber, 49, VI Main Road, Chamarajpet, Bangalore City.	1,400	1,340	...	Do ...	36	November 1946—December 1946.	
82	Mrs. B. Girija Bai, wife of B. Shankar Rao, Advocate, 8, Edward Road, Bangalore.	12,000	8,000	...	Do ...	36—90	1946	
83	Girdhardas, Clerk, 12, Ganigarpet, Bangalore City.	...	...	1,500 (Commission earned.)	Do ...	...	..	
84	B. N. Govinda Rao, Elder brother of B. N. Gopala Rao.	...	...	2,881-8-0, (Commission on the investment of other people's money.)	Do ...	...	1942-46	Brother of Gopala Rao. Also his associate. Was a Canvassing and Commission Agent.

85	Sm. M. V. Gowri, care of M. Viraraj Urs ...	40,000	7,600	...	Do ...	24—72	July 1943 – 1946
86	A. E. Hutchina, 14, Davis Road, Richards Town.	15,000	12,500	...	Do ...	36—96	September 1946—December 1946.
87	G. M. Hassan Ali, 112, Kodambakam Road, Madras.	50,000	10,000	...	Do ...	60	January 1946—December 1946.
88	Sm. R. S. Hathiangadi, Leburnam Road, Gamdevi, Bombay.	35,000	28,000	...	Do ...	24—90	January 1946—December 1946.
89	Hariram R. Maniar, 282, Rangaswamy Temple Street, Bangalore City.	14,000	...	180	Do ...	12	April 1946—August 1946.
90	Sm. R. Hanumappa, care of R. Hanumappa, S.L.N. Rice Mills, Hosa-Agrahara, K.R. Nagar Taluk.	30,100	10,000	...	Do ...	30—108	October 1944—December 1946.
91	K. Indiramma, 174, IV Road, Chamarajpet, Bangalore City.	5,000	2,000	...	Do ...	24	1944—1946
92	C. S. Iyengar, 1530, Sampige Road, Malleswaram, Bangalore and his group.	51,500	24,500	...	Do ...	36—90	1943—1946
93	Kasturamma						
94	R. R. Kandady						
95	S. Srinivasagopal, Retired Police Inspector, Chamarajpet, Bangalore City.						
96	C. Krishna Iyengar, brother... ...						
97	Mrs. C. Dwaraka Bai						
98	Sarojamma						
99	Srinivasachar						
100	Sm. C. S. Iyengar						
101	B. Indira Bai, wife of K. S. Bheema Rao, 1445, Western Extension, Tumkur.	2,500	2,300	...	Do ...	48	November 1946—December 1946.
102	K. S. Iyengar, 1646, Sampige Road, Malleswaram, Bangalore City.	1,000	...	137	Do ..	30—90	September 1943—December 1946.
103	Jeejabai S. Purnaiya, Race Course Road, Bangalore.	9,000	4,300	...	Do ...	24	1943—46
104	Janakamma Lakshmikant, care of D. Sakamma, Basavanagudi, Bangalore City.	37,200	14,000	...	Do ...	30—120	October 1944—December 1946.
105	Mrs. O. Joseph, Mount Pleasant, Coonoor ...	5,000	4,000	...	Do ...	36	August 1946—December 1946.
106	M. Jaffar Ali, 51, Mallanna Mudaly Street, Royapetta, Madras.	20,000	14,000	...	Do ...	60	July 1946—December 1946.
107	James Dewar, 108, Wellington Street, Moss Side, Manchester.	35,000	10,000	...	Do ...	24	January 1944—December 1946.
108	Jayalakshamma Boriah, care of K. Nanjappa, Narayanasetty Road, Devaraj Mohalla, Mysore.	2,200	1,400	...	Do ...	60—108	March 1946—December 1946.
109	C. V. Jagannath, care of C. R. Venkataramiah, Seshadripuram, Bangalore City.	2,000	1,450	...	Do ...	36	March 1946—December 1946.
110	Jayalakshmi, care of P. H. Krishna Rao, 34, H. B. Samaja Road, Basavangudi, Bangalore City.	1,500	1,100	...	Do ...	24	1941—46

Other Private Individuals—*contd.*

Serial No.	Name and address of the investor	Amount invested	Loss incurred	Gain made	Law or laws violated	Rate of interest per cent per annum	Duration of transaction	Remarks
		Rs.	Rs.	Rs.				
	Sriyuths—							
111	Janakamma, care of P. K. Rama Rao, 34, H. B. Samaja Road, Basavangudi, Bangalore City.	3,800	2,600	...	Income-tax Act, Usurious Loans Act.	24	1941—46	
112	Kanakammal, 12, Sripuram, Tinnevelly ...	1,000	900	...	Do ...	36	August 1946—December 1946.	
113	R. Krishna Rao, 157-8, Tank Road, 5th Road, Chamarajpet, Bangalore City.	58,000	45,000	...	Do ...	36	August 1946—December 1946.	
114	C. G. Kreltzheim, 2, Jermiah Road, Bangalore.	20,000	16,000	...	Do ...	60	August 1946—December 1946.	
115	L. P. Koppikar, care of Cosmic Commercial Co., Chikpet, Bangalore City.	10,000	6,000	...	Do ...	36—96	June—December 1946.	
116	Mrs. S. J. Khazim, 2, Ali Asker Road, Bangalore.	50,000	36,000	...	Do ...	36	July 1945—December 1946.	
117	S. Krishna Rao, 200, IV Main Road, Chamarajpet, Bangalore City.	13,000	9,000	...	Do ...	24—48	August 1945—December 1946.	
118	Miss N. Kothawala	7,000	5,500	...	Do ...	36	May 1946—December 1946.	
119	Miss R. M. Kothawala	7,000	5,500					
120	Miss K. M. Kothawala ... ... Civil Station, Bangalore.	7,000	5,500					
121	Sm. Krishna Bai, care of H. G. Padaki, Mandya.	1,900	1,228	...	Do ...	18	1944—December 1946.	
122	Sm. Kanthammanni, care of M. Viraraj Urs ..	9,000	1,710	...	Do ...	24—72	July 1943—December 1946.	
123	Kamalabai Patankar, Race Course Road, Bangalore	36,000	15,000	...	Do ...	24	1941—46	
124	C. V. Krishnaswamy, care of Sri C. R. Venkataramiah, Seshadripuram, Bangalore City.	9,500	6,000	...	Do ...	24	1945—46	
125	Dr. A. M. Kate, care of S. Sarvothama Rao.	16,000	15,000	...	Do ...	84	October 1946	
126	B. Krishnaswamy Naidu, Landlord, II Main Road, Gandhinagar, Bangalore City.	32,000	27,240	...	Do ...	72—96	October 1944—December 1946.	
127	Sm. Kalamma, wife of G. Hanumanthappa, Bangalore.	1,25,000	80,000	...	Do ...	24—60	June 1943—December 1946.	
128	E. I. Lester & Mrs. I. C. Lester, care of J. L. D'Silva, Advocate, Bangalore.	10,000	7,000	...	Do ...	120	October 1946—December 1946.	
129	A. J. L'Fluer (now dead), care of John D'Souza, Advocate, Bangalore.	10,000	8,000	...	Do ...	60—72	August 1946—December 1946.	
130	Mrs. E. D. H. Lobo, 11, Raj Mahal, Fort, Bombay.	5,000	3,000	...	Do ...	60	October 1946—December 1946.	

131	Mrs. Carolina Lobo, Athaide, Santha Cruz, Bombay.	2,000	1,000	...	Do ...	60	October 1946—December 1946.
132	Mrs. Lakshamma *alias* D. Papakka, Somwarpet, Coorg.	15,300	7,000	...	Do ...	30	February 1945—December 1946.
133	Miss Edna Lumsden, by Power of Attorney, A.D. Port House, 5, Cromwell Road, Longford Town, Bangalore.	5,000	4,600	...	Do ...	30	April 1946—December 1946.
134	Mrs. Lilian Clarke, 13, Alexandra Street, Bangalore.	5,000	4,500	...	Do ...	30	July 1946—December 1946.
135	Sm. D. Lakshamma, 6, Crescent Road, High Grounds, Bangalore.	83,500	35,000	...	Do ...	30—120	November 1944—December 1946.
136	Sm. Lakshamma, D/o Nanjundappa, Bommanahalli, Chintamani Taluk.	2,000	2,000	...	Do ...	24	1946
137	Sm. Lakshamma, C/o Vaidya Subbanna, 76, West Park Road, Malleswaram, Bangalore City.	800	640	...	Do ...	24	1946
138	Sm. Lakshmidevammal, *alias* Ramalammal, Viceroy Road, Chamundi Extension, Mysore.	4,000	3,600	...	Do ...	34	December 1946
139	Sm. Lakshmikanthamma, 405, Middle School Road, Visveswarapuram, Bangalore City.	14,500	13,000	...	Do ...	24	June 1946—December 1946.
140	Sm. M. V. Lalitha, C/o M. Viraraj Urs ...	40,000	7,600	...	Do ...	24—72	July 1943—December 1946.
141	Sm. M. C. Leela, C/o M. Viraraj Urs ...	15,000	2,850	...	Do ...	24—72	July 1943—December 1946.
142	Sm. Lingajammanni, C/o M. Viraraj Urs ...	8,500	1,616	...	Do ...	24—72	July 1943—December 1946.
143	Rev. A. D. Lobo, St. Michael's Convent, Old Madras Road, Civil Station, Bangalore.	92,700	28,000	...	Do ...	24—90	December 1943—December 1946.
144	Mrs. L. A. Lambden by p/a Hutchins, 14, Davis Road, Civil Station, Bangalore.	5,000	4,700	...	Do ...	60	November 1946—December 1946.
145	Mrs. O. Lynn, 15, Race 15, Race Course Road, Bangalore.	52,500	4,000	...	Do ...	24—120	July 1942—December 1946.
146	Mrs. M. Leitao, 22, Cubbon Road, Bangalore	24,000	...	...	Do ...	48	June 1942—December 1946.
147	Mrs. D. Lynn, 15, Race Course Road, Bangalore City.	60,000	...	...	Do ...	24—60	May 1942—December 1946.
148	G. M. Manjunathaiya, Coffee Planter, Suntikoppa, Coorg.	1,50,650	75,000	...	Do ...	60—144	January 1946—December 1946.
149	Mrs. Mallamma, Hebbur, Tumkur Taluk ...	700	281	...	Do ...	36	December 1945—December 1946.
150	Mrs. N. Martinz, 6, St. John's Church Road, Civil Station, Bangalore.	5,000	4,000	...	Do ...	36	February 1946—December 1946.
151	Mrs. H. MacIntyre, 6, O'Shanghnesy Road, Civil Station, Bangalore.	11,000	1,700	...	Do ..	42	July 1944—December 1946.
152	Mrs. Murial Wasi, 18, Race Course Road, Bangalore City.	17,000	1,000	...	Do ...	36—60	July 1942—December 1946.

Other Private Individuals—*contd.*

Serial No.	Name and address of the investor	Amount invested	Loss incurred	Gain made	Law or laws violated	Rate of interest per cent per annum	Duration of transaction	Remarks
	Sriyuths—	Rs.	Rs.	Rs.				
153	Mrs. Maria Thelma Fernandez, 9-A, Walton Road, Civil Station, Bangalore.	35,000	5,000	...	Income-tax Act, Usurious Loans Act.	24—72	January 1944—December 1946.	
154 155	A. C. Mergler and ... Mrs. K. M. Mergler, 4, Benson Road, Civil Station, Bangalore (Now Gospel Minister, Dunelm Mission Road, Kotagiri, Nilgiri Hills).	20,000	17,000	...	Do ...	30—42	March—December 1946.	
156	V. M. Mascarenhas, Oil Technologist, Hayes Road, Civil Station, Bangalore.	20,000	16,000	...	Do ...	30—36	April 1946—December 1946.	
157	Mrs. B. S. Mahalakshmi, W/o B.G. Sethuram, Hassan.	10,000	7,500	...	Do ...	36	September 1946—December 1946.	
158	Muniswamappa, Agriculturist, 7, Sunkenahally, Basavangudi, Bangalore City.	6,000	4,900	...	Do ...	24	May 1946—December 1946.	
159	S. Mahadeva Rao, Landlord, 312, 13th Cross Road, Malleswaram, Bangalore City.	10,000	8,000	...	Do ...	12	August 1944—December 1946.	
160	Mary da Cunha, 7, Victoria Terrace, Bombay-27.	10,000	7,000	...	Do ...	24	September 1945—December 1946.	
161	H. G. Mullen, No. 1, Old Hindu Cemetery Road, Cooke Town, Bangalore.	5,000	4,500	...	Do ...	60	November 1946—December 1946.	
162	E. Mitchell, 3-A, Infantry Cross Road, Bangalore.	10,000	9,000	...	Do ...	72	November 1946—December 1946.	
163	V. Madhavachar, No. 6-A, Cume Road, Tasker Town, Civil Station, Bangalore.	25,000	...	750	Do ...	24	January 1946—May 1946.	
164	Mrs. S. Mayes, 10, Magrath Road, Civil Area, Bangalore.	5,000	2,000	...	Do ...	24	June 1944—December 1946.	
165	S. Mangesha Rao, Retd. Spinning Master, Mysore Mills, 396, 8th Main Road, Malleswaram, Bangalore City.	30,000	...	50,000	Do ...	36	1942—December 1946.	Gave letters of appreciation and presents to B. N. Gopala Rao. Also had margin on moneys of parties advanced through him.
166	A. Nagavkar, Retd. Coffee Planter, 9-A, Walton Road, Civil Area, Bangalore.	4,000	3,500	...	Do ...	36	October 1946—December 1946.	
167	Miss H. Naronha, 99, Brigade Road, Civil Area, Bangalore.	74,000	24,000	...	Do ...	60	July 1944—December 1946.	
168	K. S. Nanjundiah, Clerk, Sakamma's Coffee Works, 3, Bull Temple Road, Basavangudi, Bangalore City.	1,000	690	...	Do ..	24—144	April 1946—December 1946.	
169	V. M. Natarajan, Landlord, 53, Veerapillai Street, Civil Station, Bangalore.	15,000	12,000	...	Do ...	36	May 1946—December 1946.	
170	Mrs. L. Naylor, 4, Convent Road, Richmond Town, Civil Station, Bangalore.	10,000	9,000	...	Do ...	60	October 1946—December 1946.	

171	Mrs. Nagammal, 95, Mowbrays Road, Tayamanpet, Madras.	30,000	24,000	...	Do ...	36	July 1946—December 1946.
172	P. M. Narayana Murthy, Mahatma Gandhi Road, Codial Bail, Mangalore.	1,000	900	...	Do ...	72	Septembsr 1946—December 1946.
173	Mrs. M. Noronha, 99, Brigade Road, Civil Station, Bangalore.	40,000	35,000	...	Do ...	60	September 1946—December 1946.
174	R. E. Nagle, 22, Moyeen Villa Road, Civil Station, Bangalore.	10,000	7,000	...	Do ...	36	March 1946—December 1946.
175	D. Narayana Setty, Coffee Planter, Somwarpet Coorg.	43,600	20,000	...	Do ...	36—120	April 1946—December 1946.
176	Mrs. J. Noronha, 4, King Street, Civil Station, Bangalore.	13,000	6,000	...	Do ...	30	1944—46
177	Y. S. Nanjundiah, Accountant, the Cement Marketing Co. of India, Asiatic Buildings, Bangalore City.	1,000	1,000	...	Do ...	...	November—December 1946.
178	B. V. Naidu, Land-lord, II Main Road, Gandhinagar, Bangalore City.	8,000	6,720	...	Do ...	96	November 1946—December 1946.
179	Mrs. D. I. Osborne & Mr. R. C. Osborne, 1, Residency Road, Civil Station, Bangalore.	5,000	4,600	...	Do ...	30	October 1946—December 1946.
180	P. L. Palin, 24, Viviani Road, Richards Town, Civil Station, Bangalore.	8,000	6,500	...	Do ...	36—96	August—December 1946.
181	W. C. Pinto, care of Dr. M. C. Albuquerque, Bangalore.	20,000	9,500	...	Do ...	36	April 1945—December 1946.
182	Mrs. R. Padma Bai, wife of Dr. S. R. Rao, G.B.V.C., 18, Shukur Shet Block, Tardeo, Bombay.	4,500	3,000	...	Do ...	24	January 1945—December 1946.
183	Sm. Parvathammal, wife of K. L. Subramanyam, Imperial Bank of India, Erode.	8,000	3,400	...	Do ...	36	1943—46
184	A. D. Porthouse, & E. A. Porthouse, 5, Cornwell Road, Civil Station, Bangalore.	60,000	49,000	...	Do ...	30	April 1946—December 1946.
185	H. Parameswariah, Halleri Village, Mercara, Coorg.	1,000	1,000	...	Do ...	30	Do
186	Mrs. Ponnammal Muthuswamy, wife of K. Muthuswamy Iyer, Mandya Sugar Co., Mandya.	10,500	8,800	...	Do ...	42	Do
187	Mrs. C. M. Ponnappa, care of Sri C. P. Appanna, Chetoli Estate, Coorg.	5,500	4,300	...	Do ...	30	Do
188	P. J. Prahlada Rao, Clerk, Binny Mills, 153, 4th Main Road, Chamarajpet, Bangalore City.	11,100	...	...	Do ...	30—36	July 1943—December 1946.
189	Miss E. Pereira, 27 E, Hospital Road, Civil Station Bangalore.	1,000	...	200	Do ...	60	1944—December 1946.
190	Mrs. A. Pereira, 27 E, Hospital Road, Civil Station., Bangalore.	5,000	...	...	Do ...	36—60	1944—December 1946.
191	Mrs. L. A. G. Pinto, 31, Brigade Road, Civil Area, Bangalore.	18,000	15,500	...	Do ...	36	August 1946—December 1946.
192	Sm. D. Parvathamma Govindappa, No. 6, Crescent Road, High Grounds, Bangalore.	1,57,800	70,000	...	Do ...	30—120	September 1944—December 1946.
193	A. J. Pinto, care of Dr. M. C. Albuquerque, Bangalore City.	1,21,000	52,000	...	Do ...	30	1945—46

Other Private Individuals—*contd.*

Serial No.	Name and address of the investor	Amount invested	Loss incurred	Gain made	Law or laws violated	Rate of interest per cent per annum	Duration of transaction	Remarks
	Sriyuths—	Rs.	Rs.	Rs.				
194	Miss M. I. Pinto, care of Dr M. C. Albuquerque	20,000	8,000	...	Income-tax Act, Usurious Loans Act.	30	July 1945—December 1946.	
195	W. X. Pinto (Retd. Manager, Minerva Mills) 7, Rest House Road, Civil Station, Bangalore.	1,91,800	50,000	...	Do ...	30	1939—46	Gave letters of appreciation and presents to B. N. Gopala Rao.
196	Mrs. Premala Raju, daughter of Dharmavati Raju.	98,500	90,000	...	Do ...	120	September 1946.	
197	M. C. Padma, care of M. Viraraj Urs ...	15,000	2,850	...	Do ...	24—72	July 1943—December 1946.	
198	M. C. Puttaratnamma, care of M. Viraraj Urs.	15,000	2,850	...	Do ...	24—72	Do	
199	B. S. Parthasarathy, Engineer, Mysore Engineering Co., Bhadravathi.	1,000	600	...	Do ...	30	June 45—December 1946.	
200	T. Puttathayamma, 35, Gandhinagar, Bangalore City.	5,000	3,500	...	Do ...	48	April 1946—December 1946.	
201	J. Perris, Bangalore.	10,000	...	...	Do ...	48	1945—December 1946.	
202	Mrs. E. Rego, 16, Rest House Road, Bangalore.	8,500	7,000	...	Do ...	30	July 1946—December 1946.	
203	Mrs. E. M. Ricketts, 5, Magrath Road, Bangalore.	15,000	5,000	...	Do ...	24—36	November 1943—December 1946.	
204	B. K. N. Rao, Air Lines India, Ltd., Madras.	7,000	2,000	...	Do ...	36	1944—46	
205	Mrs. R. A. Roane, 'Pretoria', Whitefield ...	10,000	9,700	...	Do ...	12	November 1946.	
206	Mrs. H. Richardson, Haffieldpet, Arkonam ...	5,000	3,200	...	Do ...	24	January 1945—December 1946	
207	Sm. R. Ramakka, 35, Kalasipalyam New Extension, Bangalore City.	2,500	1,500	...	Do ...	60—144	January 1946—December 1946.	
208	Mrs. J. E. Rebubens, 23, Cubbon Road, Bangalore.	10,000	8,400	...	Do ...	36—84	July 1946—December 1946.	
209	N. S. Ramachandra Rao Compounder (Private), 23, V Main Road, Chamarajpet, Bangalore City.	500	150	...	Do ...	24	1943—December 1946.	
210	S. Rozario, Retd. Asst. Buildings Engineer, Binny Mills, 19—21, V Main Road, Chamarajpet, Bangalore City.	8,000	5,500	...	Do ...	36	December 1945—December 1946.	
211	M. H. Rama Rao, Basavangudi, Bangalore ...	420	350	...	Do ...	24	August 1945—December 1946.	

212	A. Ratnamma, care of Sakamma's Coffee Works, Bull Temple Road, Basavangudi Post, Bangalore.	800	800	...	Do ...	...	September 1946—December 1946.	
213	F. Rebeiro, Clerk, 24, Berlie Street, Civil Station, Bangalore.	5,000	4,600	...	Do ...	60	November 1946—December 1946.	
214 215	Mrs. E. F. Rath and ... Mr. R. H. Rath, 4 Norris Road, Langford Town, Civil Station, Bangalore.	10,000	8,000	...	Do ...	60	April 1946—December 1946.	
216	Rana Lakshmana Sinhji and Maharani of Gondal, Mysore.	2,00,000	1,10,000	...	Do ...	96—108	1946	
217	Dr. D. S. Ramachandra Rao, Anantha Bhawan, Ratnavilas Road, Basavangudi, Bangalore City.	2,000	1,000	...	Do ...	24	February 1945—December 1946.	
218	C. Ramachandra Rao, Sirur Park Road, Malleswaram, Bangalore City.	1,000	900	...	Do ...	120	November 1946—December 1946.	
219	A. Ramakrishna Iyengar, Zamindar, Anandapuram, Shimoga District.	67,000	42,000	...	Do ...	120	July 1946—December 1946.	
220	T. A. Rangabhashyam, Assistant, Oriental Life Office, Mahatma Gandhi Road, Bangalore.	17,000	5,000	...	Do ...	24—160	June 1945—October 1946.	
221	W. S. Raju (Medical Officer, Tatanagar), 21, Hall Road, Richards Town, Civil Station, Bangalore.	5,000	3,500	...	Do ...	108	June 1946—December 1946.	
222	Raja R. Shanmuga Rajeswara Sethupathi, Raja of Ramnad, The Palace, Ramnad.	10,27,000	4,00,000	...	Do ...	30—78	June 1945—December 1946.	
223	N. R. Rajaiengar, Private Tutor, 86, Narayanaswamy Iyengar Street, Seshadripuram, Bangalore City.	5,000	3,200	...	Do ...	36—60	February 1945—December 1946.	
224	B. Rangaswamy, 58, Model House Block, Basavangudi, Bangalore City.	3,100	2,200	...	Do ...	30	February 1946—December 1946.	
225	Mrs. J. A. Rodrigues, 26, Brigade Road, Civil Station, Bangalore.	60,000	...	12,000	Do ...	18—36	1938—46	
226	A. C. Rodgrigues, behind 26, Brigade Road, Civil Station, Bangalore.	5,000	...	...	Do ...	18—24	1943—46	
227	G. S. Raghurama Rao, Office Assistant under Sri Deva Rao Shivaram, 177, Margosa Road, Malleswaram, Bangalore City.	10,000	...	2,100	Do ...	42	July 1945—January 1946.	
228	F. V. Rebello, 22, Cubbon Road, Civil Area, Bangalore.	3,80,000	1,10,000	...	Do ...	48—90	1943—46 (*a*)	(*a*) He is the son of late Sri C. V. Rebello, a close associate of B. N. Gopala Rao. He not only collected money from his friends and lent the same to B. N. Gopala Rao; but also acted as a commission and canvassing agent to B. N. Gopala Rao.
229 230 231 232 233	Mrs. C. V. Rebello ... Mr. C. V. Rebello (late) .. Eric Rebello ... G. Rebello ... E. Rebello ... 22, Cubbon Road, Bangalore.	4,94,700	...	4,50,000	Do ...	36—90	1936—46 (*b*)	(*b*) These are the members of late Sri C. V. Rebello's family.
234	M. C. Ratna, care of M. Viraraj Urs ...	15,000	2,850	...	Do ...	24—72	July 1943—December 1946.	
235	C. Raja Rao, 1/176, Subbarama Chetty Road, Basavangudi, Bangalore City.	3,500	1,600	...	Do ...	36—60	1945—46	

Other Private Individuals—*contd.*

Serial No.	Name and address of the investor	Amount invested	Loss incurred	Gain made	Law or laws violated	Rate of interest per cent per annum	Duration of transaction	Remarks
	Sriyuths—	Rs.	Rs.	Rs.				
236	Mrs. L. Royan, 1st Road, Chamarajpet ...	5,000	3,300	...	Income-tax Act, Usurious Loans Act.	36	November 1945—December 1946.	
237	C. V. Ramaswamiah, care of C. R. Venkataramiah, Seshadripuram, Bangalore City.	21,000	10,000	...	Do ...	36	Do	
238	C. R. Ranganatha, care of C. Raghavachar, Rtd. Sub-Overseer, Sriramapuram, Bangalore City.	3,000	1,100	...	Do ...	36	November 1944—December 1946.	
239	M. Sreepada Rao, 76, West Park Road, Malleswaram, Bangalore City.	50,000	20,000	...	Do ...	24—36	1944—46	
240	B. Sitha Bai, 394, 3rd Main Road, Malleswaram, Bangalore City.	9,000	4,600	...	Do ...	60	June 1946—December 1946.	
241	P. S. Subba Rao, Siddapura Building, 'C', 1st Floor, Gokhale Road, North Dadar, Bombay.	1,000	...	...	Do ...	48	Do	
242	P. S. Sundara Bai, care of M. Krishna Rao, Gokhale Road, North Dadar, Bombay.	11,000	4,000	...	Do ...	48	July 1943—December 1946.	
243	P. S. Saroja Bai Pranesha Rao, Siddapura Buildings, Gokhale Road, Dadar, Bombay.	12,000	6,000	...	Do ...	24	October 1943—December 1946.	
244	Dr. T. A. Sundaram and Sm. Seetha Sundaram, 297, Skinner's Road, North Colombo (Ceylon).	50,000	35,000	...	Do ...	24—72	September 1945—December 1946.	
245	Srimati Seshamma, Cook, 1816, III Cross, Malleswaram, Bangalore 3.	200	170	...	Do ...	24	1943—46	
246	N. Shama Rao, Manager, Sakamma Coffee Works, Basavangudi, Bangalore City.	4,000	1,000	...	Do ...	60—108	June 1945—December 1946.	He maintained accounts of the transactions of Sakamma and her group with Gopala Rao and was paid by Gopala Rao for the same.
247	Sm. C. V. Sundaramma, 110/A, Raghavendra Colony, Chamarajapet, Bangalore City.	10,500	5,000	...	Do ...	24	June 1944—December 1946.	
248	C. V. Subba Rao, care of above ...	1,000	570	...	Do ...	24	August 1944—December 1946.	
249	B. G. Sethuram, Hassan ...	10,000	5,600	...	Do ...	36—60	September 1945—December 1946.	
250	Sm. A. C. Subbarayudu, care of Dr. D. S. Ramachandra Rao, Anantha Bhawan, Basavangudi, Bangalore City.	5,000	2,600	...	Do ...	24	November 1944—December 1946.	
251	C. V. Sadasiva Rao, Office Manager, Kusubur Estate, Coorg.	6,700	2,300	...	Do ...	36—120	October 1944—December 1946.	
252	D. Siddanna, Coffee Planter, Somvarpet, Coorg.	1,45,110	50,000	...	Do ...	30—120	April 1945—December 1946.	

253	Sm. Seethamma Dasappa, Coffee Planter, Somvarpet, Coorg.	14,900	6,000	...	Do	30—72	October 1944—December 1946.	
254	Sm. N. M. Subbiah, care of N. C. Subbiah, 'Rose Bank', Mercara, Coorg.	7,500	7,500	...	Do	36—120	May 1945—December 1946.	
255	J. M. Saldana and	3,000	2,500	...	Do	72	August 1946—December 1946.	
256	Mrs. M. E. Saldana, 16, Rest House Road, Civil Station, Bangalore.							
257	Sm. Sakhubai Deshmuk, 190, V Main Road, Chamarajpet, Bangalore City.	30,000	25,000	...	Do	18—24	February 1946—December 1946.	
258	D. Sivappa, Coffee Planter, Somvarpet, Coorg.	1,88,940	50,000	...	Do	36—120	March 1945—December 1946.	
259	H. V. Subramanyam, Landlord, Margosa Road, Malleswaram, Bangalore City.	8,000	4,000	...	Do	18—24	April 1946—December 1946.	
260	H. Srinivasa Rao, Landlord, Chamarajpet, Bangalore City.	4,500	1,800	...	Do	24	1943—46	
261	D. A. Smith, 20, Hosur Road, Bangalore ...	4,000	3,000	...	Do	60	January 1946—December 1946.	
262	M. Srinivasa Rao, Clerk, Malleswaram Co-operative Society, Bangalore City.	2,500	1,000	...	Do	12—24	1941—46	
263	Sm. Sitammal, care of K. Lakshminarasa Iyer, 12, Sripuram, Tinnevelli.	9,500	5,000	...	Do	36	April 1944—December 1946.	
264	Mrs. M. F. C. Sequeira, care of Edmond Sequera, Aerodrome Officer, Juhu, Bombay, (now in Pakistan).	6,000	5,300	...	Do	24—48	November 1946—December 1946.	
265	M. V. Susheela, care of Sri M. Viraraj Urs ...	40,000	7,600	...	Do	24—72	July 1943—December 1946.	
266	D. O. Sullivan, 4, North Road, Cooke Town, Civil Station, Bangalore.	10,000	8,000	...	Do	60	1946	
267	Sm. Saroja Loganathan, 5, Edward Road, Civil Station, Bangalore.	25,000	20,000	...	Do	60—90	1945—46	
268	Sm. H. Saguna Bai (late) wife of Dr. H. Panduranga Rao, 394, 8th Main Road, Malleswaram, Bangalore City.	12,000	7,900	...	Do	36	1946	
269	A. Srinivasa Rao Sahib, Jagirdar of Arni ...	10,000	...	450	Do	36	November 1943—August 1944.	
270	M. Shaik Hussain, Retd. employee of United Brewaries, 6, Myrtte Road.	8,000	...	5,000	Do	24—60	December 1942—January 1946.	
271	K. N. Seshadri, Superintendent of Agencies, Metropolitan Insurance Co. Ltd., 1314, Nagappa Block, Bangalore 3.	4,000	...	3,000	Do	30—90	1943—46	
272	T. N. C. Satagopan, Branch Manager, The United India Life Assurance Co., 15/5, Chamarajpet, Bangalore City.	15,000	...	1,250	Do	60	May 1946—August 1946.	
273	N. S. Sirur, Retd. General Manager, Mysore Mills, XV Cross Road, Malleswaram, Bangalore City.	4,23,400	...	...	Do	36—120	1941—46	Gave letters of appreciation and presents to B. N. Gopala Rao.
274	K. Swetadri Iyengar, 12, Venkatappa's Lane, Chikkamavalli, Bangalore City.	3,000	1,690	...	Do	36	July 1945—1946.	

Other Private Individuals—*contd.*

Serial No.	Name and address of the investor	Amount invested	Loss incurred	Gain made	Law or laws violated	Rate of interest per cent per annum	Duration of transaction	Remarks
	Sriyuths—	Rs.	Rs.	Rs.				
275	Sm. Sharada, daughter of M. Sesha Iyengar, 578, Sajjan Rao Road, Visveswarapuram, Bangalore City.	1,000	880	...	Income-tax Act, Usurious Loans Act.	30	June 1946—December 1946.	
276	Sm. Sonabai, sister of K. Shama Rao, 202, III Road, Chamarajpet, Bangalore City.	1,000	840	...	Do ...	24	Do	
277	Sm. Shankaramma, wife of C. R. Venkataramiah, Bank of Mysore, Bangalore.	31,500	21,000	...	Do ...	36	1946	She is the wife of Sri C. R. Venkataramiah of the Mysore Bank. It is a matter for investigation as to how she came by such big amount.
278	Sm. K. Sharadamma, care of M. Govinda Rao, Pleader, Kolar.	1,000	...	...	Do ...	...	...	
279	B. N. Subba Rao (elder brother of B. N. Gopala Rao), 94C, Bull Temple Road, Basavangudi, Bangalore City.	2,300	...	...	Do ...	24	December 1943—1946.	Brother of Gopala Rao.
280	K. Sithabai, wife of K. Jaya Rao, Malleswaram.	16,900	14,000	...	Do ...	18—36	1946	
281	Mrs. Swamy Chetty ...	3,15,000	...	6,500	Do ...	36—120	1942—46	
282	Sm. Sujaya Devi of Sanand ...	21,000	15,000	...	Do ...	36	1946	
283	Sm. G. Thangammal, daughter of K. Krishna Iyer, 'Kennarcot', High Grounds, Bangalore.	10,000	8,500	...	Do ...	24—36	July 1946—December 1946.	
284	Sm. Thangamma, Central Bank Road, Chamarajpet, Bangalore City.	9,000	6,000	...	Do ...	24—30	June 1944—December 1946.	
285	Sm. Thangamma Chandy, wife of Sri C. Chandy, Bangalore.	10,000	6,500	...	Do ...	36—108	May 1946—December 1946.	
286	Sm. Thungamma, Basavangudi ...	800	400	...	Do ...	24	August 1944—December 1946.	
287	Sm. G. Thanjammal, wife of Sri S. Gopalaiengar, Hydraulic Engineer, Electric Department, Shivasamudram.	6,000	5,000	...	Do ...	18	May 1946—December 1946.	
288	Sm. Thangamma Shankara Iyer, wife of Dr. A. C. Shankara Iyer, Mandya.	5,200	4,400	...	Do ...	36	August—December 1946.	
289	Lady G. Thumboo Chetty, Cunningham Road, Bangalore.	15,000	...	9,225	Do ...	60	1944—1946	
290	Mrs. C. M. Unger, Civil Station, Bangalore ...	10,000	2,000	...	Do ...	36—48	June 1944—December 1946.	
291	John E. Unger, 2, Langford Road, Civil Station, Bangalore.	25,000	15,000	...	Do ...	36—48	Do	
292 293	Mrs. A. V. Upshon and ... Mr. V. G. Upshon, 12, Moyenville Road, Civil Station, Bangalore.	5,000	4,400	...	Do ...	36	September 1946—December 1946.	

294	Ugrachar, Landlord, Kempaganahalli, Malur Taluk.	800	...	...	Do ...	24	1945	
295	N. Vasudeva Rao, Clerk, Bangalore Transport Co., 167, 5th Road, Chamarajpet, Bangalore City.	5,500	5,000	...	Do ...	24	November 1946—December 1946.	
296	R. Venkatachar, No. 63, Hospital Lane, Bangalore City.	18,000	1,880	...	Do ...	24	1942-46	
297	J. G. Vannauften, Civil Station, Bangalore ...	10,000	9,000	...	Do ...	48	November 1946—December 1946.	
298	T. K. Vasudevamurthy, Agriculturist, Beechagondanahalli, Kolar.	13,000	9,000	...	Do ...	30	October 1944—December 1946.	He is the brother of Sri T. K. Krishnamurty, Assistant Superintendent, Sericulture. It is a matter, of investigation as to how he came by such a large amount being himself poor.
299	Sm. Veerajammanni Basavaraj Urs, Hebbal, Bangalore.	1,000	1,000	...	Do ...	...	November 1946—December 1946.	
300	Sm. Vijayammal, wife of S. K. Rajagopala Iyer, 1669, Sampige Road, Malleswaram, Bangalore City.	4,500	3,870	...	Do ...	36	August 1946—December 1946.	
301	C. B. Venkoba Rao, Mechanic, 1/176, Subbaramachetty Road, Basavangudi, Bangalore City.	3,000	1,900	...	Do ...	12	July 1946—December 1946.	
302	P. G. Wilson, 5 Margrath Road, Bangalore (Civil Station).	5,000	4,000	...	Do ...	24—36	November 1943—December 1946.	
303	T. Williams, 2, Civil Road, Cooke Town, Civil Station, Bangalore.	12,000	11,000	...	Do ...	96	November 1946—December 1946.	
304	Mrs. T. Weir (claim by John D'Souza, duly constituted Attorney).	10,000	7,000	...	Do ...	108	Do	
305	Sm. Yemuna Bai, care of Dr. M. A. Rao, 6, Hayes Road, Civil Station, Bangalore.	65,000	41,000	...	Do ...	36	1945-46	
306	Miss Zeena Pareire, 31, Coles Road, Civil Station, Bangalore.	10,000	8,000	...	Do ...	72	June to December 1946.	
	BANK EMPLOYEES.							
307	R. P. Baliga, Regional Inspector, Canara Industrial and Banking Syndicate, Bangalore.	5,000	4,550	...	Do ...	36	October 1946—December 1946.	(a) He has been the Chief Cashier in the Central Bank, Bangalore City. He was responsible to have got a number of clients to Gopala Rao for the sake of commission. He had commission from Gopala Rao even on hundis discounted by Gopala Rao. The earnings were shared by him, Mr. P. A. Devitre, then agent of the Bank, and H. V. Prabhu, Chief Accountant.
308	N. Bheemachar, clerk, Bank of Mysore, Bangalore.	2,240	800	...	Do ...	18	1938-46	
309	M. Channappa, Assistant Cashier, Central Bank of India, Bangalore City.	8,000	5,900	...	Do ...	60	June 1946—December 1946.	
310	B. Edward, Clerk, Imperial Bank of India, Bangalore.	4,800	...	3,900	Do ...	36	July 1938—May 1946.	
311	N. K. Katri, Chief Cashier, The Central Bank of India, Bangalore City.	50,000	...	80,000 (includes commission)	Do ...	36—96	January 1944—(a) December 1946.	
312	D. S. Murthy Rao, Manager, Devanga Bank, Ltd., Bangalore City.	4,000	3,500	...	Do ...	36	August 1946—December 1946.	

Other Private Individuals—*concld.*

Serial No.	Name and address of the investor	Amount invested	Loss incurred	Gain made	Law or laws violated	Rate of interest per cent per annum	Duration of transaction	Remarks
	Srivuths—	Rs.	Rs.	Rs.				
313	J. V. Muniswamy Rao, Clerk, Imperial Bank of India, Bangalore City.	1,000	500	...	Income-tax Act, Usurious Loans Act.	36—50	May 1946—December 1946.	
314	S. R. Mundkur, Imperial Bank of India, Bangalore City: now in Madras.	50,000	20,000	...	Do ...	36—120	September 1945—December 1946.	He secured clients to Gopala Rao and got special rates for the amounts advanced by him.
315	Y. S. Mahabala Jois, Manager, Mysore Standard Bank, Bangalore City.	6,500	...	877/8	Do ...	12	1941-42	
316	A. R. Murthy, Imperial Bank of India, Bangalore (now at Lahore).	20,000	...	40,000 (Includes commission)	Do ..	24—120	1942-46	A canvassing and commission agent of Gopala Rao; made presents also to him.
317	M. K. Nanjundiah, Clerk, Imperial Bank of India, Bangalore.	1,000	...	2,000	Do ...	48—60	April 1945—December 1946.	Also earned commission from Gopala Rao.
318	H. V. Prabhu, Accountant, The Central Bank of India, Bangalore City.	20,000	5,000	...	Do ...	60—120	July 1945—December 1946.	He along with Sri N. K. Katre and P. A. Devitre earned commission from Gopala Rao on moneys of parties who went through them.
319	P. Parthasarathy, Clerk, Imperial Bank of India.	2,000	1,200	...	Do ...	36	October 1945—December 1946.	
320	N. Ramapriyan, Clerk, Central Bank of India, Bangalore City.	8,000	6,000	...	Do ...	36—60	March 1946—December 1946.	
321	S. S. Raghavan, Bank of Mysore, Bangalore, (now Manager, Bombay Branch).	12,500	...	39,000 (includes commission)	Do ...	24—36	1943-46	He got a number of clients to Gopala Rao and earned commission on the amounts lent by them.
322	*Rao Sahib* C. V. Raja Rao, Officer, Reserve Bank of India.	35,000	21,000	...	Do ...	36	1943-46	
323	M. N. Sreenivasa Iyengar, Head Clerk, Imperial Bank of India, Bangalore City.	5,000	3,000	...	Do ...	24	November 1944—December 1946.	
324	B. S. Sidhwa, Agent, Central Bank of India, Bangalore City.	85,000	77,000	...	Do ...	60—120	May 1946—December 1946.	
325	B. R. Sadasiva Rao, Clerk, Bank of Mysore, Bangalore.	3,000	700	...	Do ...	36	December 1943—December 1946.	
326	S. N. Sharma, Imperial Bank of India Bangalore (now in Madras).	29,000	8,000	...	Do ...	24—96	1942—December 1946.	Gave a letter of appreciation to Gopala Rao and secured clients to him to get special rates of interest for his amounts.
327	Sm. Sundara (wife) ...							
328	R. Tirunarayana Iyengar, Bank of Mysore, Ltd., Bangalore.	2,000	1,300	...	Do ...	12	1943-46	
329	J. D. Tarapore, Central Bank of India, Ltd., Bangalore City.	2,000	1,500	...	Do ...	90—108	September 1946—December 1946.	
330	J. F. Unwalla, Asst. Accountant, Central Bank of India, Ltd., Bangalore City.	6,500	5,000	...	Do ...	60—90	March 1946—December 1946.	
331	G. Venkatanaranappa, Manager, Bank of Mysore, Shimoga.	10,000	1,100	...	Do ...	36	November 1943—December 1946.	

332	C. R. Venkataramiah, Chief Accountant, Bank of Mysore, Bangalore.	7,000	1,000	...	Do ...	36	1945—1946 (a)	(a) He advanced money to Gopala Rao in the names of his wife and children to the extent of Rs. 71,000. It is not known how he managed to get at such huge amount in spite of his known limited resources. He secured a number of clients to Gopala Rao and made commission on the amounts. He even unauthorizedly advanced money to Gopala Rao from Nagaraja Rao Purniah's Estate. Curiously enough he has no account with banks and his transactions with Gopala Rao were in cash. (b) Gave letters of appreciation, presents and a casket to Gopala Rao; was a commission agent and responsible for propping up Gopala Rao. (c) Gave letters of appreciation and presents to Gopala Rao. (d) Included in M. Narayana Rao's claim.
333	C. R. Venkataramiah, Legal guardian for Nagaraja Rao Purniah (Bank of Mysore, Bangalore).	23,000	14,000	...	Do ...	24	1945—1946	
334	C. Venkata Rao, Cashier, Imperial Bank of India, Bangalore City.	12,000	5,000	...	Do ...	36	November 1944—December 1946.	
	ADVOCATES							
335	P. C. Bhatt, Advocate, 883, Vani Vilas Road, Mysore.	6,000	5,400	...	Do ...	120	November 1946—December 1946.	
336	C. F. D'Souza, Advocate, 25-B, Hospital Road, Civil Station, Bangalore.	6,75,000	...	1,30,560	Do ...	30—48	June 1938—(b) December 1946.	
337	J. L. D'Silva, Advocate, Levelle Road, Civil Station, Bangalore.	70,000	...	10,000	Do ...	24—48	1940— (c) December 1946.	
338	W. D'Souza, Advocate, 12, Rest House Road, Civil Station, Bangalore.	16,000	...	5,000	Do ...	24	August 1943—December 1946.	
339	G. K. Govinda Bhatt, Advocate and Landholder, Rosilla Kadu, Mangalore.	20,000	15,500	...	Do ...	12	May 1946—December 1946.	
340	M. Govinda Rao, Advocate, Kolar ...	...	...	...	Do ...	...	(d) ...	
341	M. B. Madappa, Advocate, Mercara ...	5,000	3,500	...	Do ...	30—36	December 1945—December 1946.	
342	Janab Mohamed Sheriff, Advocate, 5, Andree Road, Bangalore.	3,000	1,000	...	Do ...	24	February 1944. December 1946.	
343	S. Puttanniah, Advocate, 442/1, Hundred Feet Road, Mysore City.	15,000	12,000	...	Do ...	48	December 1945—December 1946.	
344	P. S. De Souza, Advocate, Civil Station, Bangalore.	1,00,000	25,000	...	Do ...	36	March 1943—December 1946.	
345	K. S. Shankaranarayana Rao, Advocate, Mercara, Coorg.	18,500	12,000	...	Do ...	30—36	July 1945—December 1946.	
346	B. Shama Rao, Pleader (Retired), 1160, Ittigegud, Opposite Zoo Gardens, Mysore.	4,000	3,700	...	Do ...	30—60	September 1946—December 1946.	
347	U. Subramanyam, Advocate, Gandhi Nagar, Bangalore City.	10,000	8,440	...	Do ...	72—96	October 1946—December 1946.	
348	A. Venkateshiah, Advocate, Kantharaj Urs Road, Mysore.	6,000	4,000	...	Do ...	36	November 1945—December 1946.	
349	K. R. Vidyaranya, Advocate, 1663, Lashmipuram, Mysore.	5,000	4,750	...	Do ...	60	October 1946—December 1946.	
350	K. Venkatagiri Rao, Advocate, Mercara, Coorg.	3,000	1,920	...	Do ...	108	June 1946—December 1946.	
351	C. N. Venkappiah, Advocate, Mercara, Coorg.	12,300	5,000	...	Do ...	72	April 1945—December 1946.	
352	T. Chennakesaviah, Advocate, 974, Vani Vilas Road, Mysore.	5,000	4,000	...	Do ...	48	1946	
	Grand Total ...	1,20,46,053	39,61,233	8,78,233				

N. V. BABU REDDY,
Secretary.

Investors through Sri J. B. Dominick.

Serial No.	Name and address of the investor	Amount invested	Loss incurred	Gain made	Law or laws violated	Rate of interest per cent per annum	Duration of transaction	Remarks
	INVESTORS THROUGH SRI J. B. DOMINICK	Rs.	Rs.	Rs.				
	Sriyuths—							
1	B. T. Chenniah, Coffee Planter, Coorg ...	3,000	2,000	...	Income-tax Act, Usurious Loans Act.	24—60	1946	
2	Miss M. M. Dominick, Teacher, 26-A, Hospital Road, Civil Station, Bangalore.	6,000	3,000	...	Do ...	24	August 1946—December 1946.	
3	B. S. Erappa, Coffee Planter, Businessman, 23, Charles Campbell Road, Cox Town Bangalore.	38,500	20,000	...	Do ...	30—144	October 1944—December 1946.	
4	B. C. Figradoe	25,000	875	...	Do ...	108	1938—1946	
5	The Deocese of Mysore, Mysore ...	7,50,000	3,09,000	...	Do ...	36	February 1944—December 1946.	
6	H. C. Gager, Retd. Locomotive Driver, 7, Oakleypuram, Bangalore City.	10,000	2,000	...	Do ...	12	March 1943—December 1946.	
7	O. Hall (Now in Pakistan), Claim by Mrs. G. Brown, 5 Miller's Road, Bangalore.	20,000	6,000	...	Do ...	12	1943—1946	
8	A. Khader Sait, 21, Hospital Road, Civil Area, Bangalore.	15,000	2,000	...	Do ...	24	1942—1946	
9	V. Louis, Supply Dept., Bangalore R.I.A.S.C. 27, Kali Koil Street, Civil Station, Bangalore.	5,000	800	...	Do ...	24	April 1943—December 1946.	
10	Mrs. J. Mathias, 21, Cubbon Road, Civil Station, Bangalore.	65,000	15,000	...	Do ...	36	January 1946—December 1946.	
11	Janab H. Mohamed Sait, 1, Hospital Cross Road, Bangalore.	64,000	...	21,640	Do ...	36	April 1945—December 1946.	
12	Capt. P. Mathias, 21, Cubbon Road, Civil Station, Bangalore.	28,000	25,000	...	Do ..	42	October 1946—December 1946.	
13	Janab H. Y. Mohamed, Land-lord, 23, Infantry Road, Bangalore.	30,000	...	400	Do ...	36	October 1943—December 1946.	
14	Mrs. M. J. Nolan, 32, St. John's Church Road, Civil Station, Bangalore.	42,000	17,000	...	Do ...	12	1943—1946	
15	Miss R. M. Norouha, 3, Clive Road, Cooks Town, Civil Station. Bangalore.	10,000	8,000	...	Do ...	24	October 1946—December 1946.	
16	J. S. Norris, Commission Agent, 6, Tank Road, Civil Station, Bangalore.	10,000	8,000	...	Do ...	24	November 1946—December 1946.	
17	Mrs. L. D'Rocha, 7, Victoria Road, Civil Station, Bangalore.	32,000	16,500	...	Do ..	18	1943—1946	

18	B. N. Surendra, Manager, Rayala Corporation, 6, Curly Street, Civil Station Bangalore.	30,000	20,000	...	Do	...	120	July 1946—December 1946.	
19	T. Singaroyan, Businessman, 32, Achutharaya Modaliar Road, Civil Street, Bangalore.	12,000	2,000	...	Do	...	24	May 1943—December 1946.	
20	Mrs. D. Siddanna, Coffee Planter, Kusubur Estate, Somvarpet, Coorg.	6,000	5,000	...	Do	...	60	1946	
21	I. D. Sharma, 1, Charles Campbell Road, Civil Station, Bangalore.	8,500	...	...	Do	...	60	1946	
22	L. A. R. Woodfall, care of M. R. Hall, M.S.M. Railway Quarters, Bangalore Cantt.	8,500	5,000	...	Do	...	30	1943—46	
23	Dr. A. A. Xavier, Medical Practitioner, 54, Polyar Street, Shoolay, Civil Station, Bangalore.	1,500	270	...	Do	...	24	July 1943—1946	
24	J. Xavier, 58, Polyar Street, Shoolay, Civil Station, Bangalore.	3,000	2,500	...	Do	...	60	October 1946—December 1946.	
25	M. Ali Asker, Trainer, 16, Richmond Road, Civil Station, Bangalore.	26,000	...	2,000	Do	...	24	1946	
26	F. M. Xavier, Advocate, 9, Lady Curzon Road, Civil Station, Bangalore.	1,55,000	80,000	...	Do	...	60	1943—December 1946.	Continues to be the legal adviser to J. B. Dominick, His office was next to J. B. Dominick's house.
27	Miss M. I. Pinto, care of Dr. Miss M. C. Albuquerque.	10,000	400	...	Do	...	120	March 1946—December 1946.	
28	Bhawandas Chandiram, Bankers, No. 43, Rangaswami Temple Street, Bangalore City.	30,000	...	221—8	Do	...	12	Do	Has no account with banks. Strangely enough his transactions with J.B. Dominick were in cash.
29	R. A. Das, West End Garage, Bangalore ...	10,000	...	3,200	Do	...	24	May 1945—November 1946.	Continues to enjoy the confidence of J. B. Dominick even after B. N. Gopala Rao's crash and the Committee's proceedings.
30	C. A. Saldana, Advocate, Civil Station, Bangalore.	1,33,000 and also discounted hundis	...	20,000	Do	...	60	1939—46	For some time J. B. Dominick was a boarder in his house. Was the executor of late Chapman's estate and lent money to J. B. Dominick out of estate funds at higher rates of interest and allowed only a small portion of the interest amount earned to go to the estate accounts.
31	Hashim Yunus Sait, 2C Tasker (Avenue), Civil Station, Bangalore.	5,000	...	500	Do	...	36	May 1946—December 1946.	
32	Ahmad Yunus Sait, No. 2C, Tasker Avenue, Civil Station, Bangalore.	12,000	...	1,440	Do	...	36	1945—46	
33	Ahmed Shacoor ...	20,000	...	3,200	Do	...	24	1944—Accounts closed	
34	E.-Poole (In England) ...	5,000	...	3,200	Do	...	24	1945—do	
35	N. J. Mathias (In England) ...	9,000	...	6,120	Do	...	24	1943—46 do	

Investors through J. B. Dominick—*concld.*

Serial No.	Name and address of the investor	Amount invested	Loss incurred	Gain made	Law or laws violated	Rate of interest per cent per annum	Duration of transaction	Remarks
		Rs.	Rs.	Rs.				
36	Srivutha— G. V. K. Chetty ...	30,000	19,200	...	Income-tax Act, Usurious Loas Act.	24	April 1944—December 1916.	
37	Mrs. P. Swaminathan ...	6,000	4,500	...	Do ...	24	July 1945—December 1946.	
38	C. Conceciao ...	30,000	...	2,600	Do ...	24	March 1944—Account closed.	
39	Mrs. M. K O'brien (in England) ...	15,000	7,180	...	Do ...	24	1946	
	GRAND TOTAL ...	17,19,000	5,81,225	64,521 8				

N. V. BABU REDDY,

Secretary,
Gopala Rao Enquiry Committee.

Gopala Rao's Clients who neither appeared before the Committee nor submitted Accounts.

Serial No.	Name and address of the investor	Amount invested	Loss incurred	Gain made	Law or laws violated	Rate of interest per cent per annum	Duration of transaction	Remarks
	Sriyuths—	Rs.	Rs.	Rs.				
1	Sm. Ammuswaminathan, Ex-Member, Constituent Assembly, Madras.	5,000	3,650	...	Income-tax Act, Usurious Loans Act.	36	1945-46	(*a*) Evaded to appear before the Committee and failed to submit Account Statement; earned huge amount by way of interest. It is a matter for investigaton if he has paid the income-tax on the amounts earned. (*b*) Interest received from C.F.D'Costa. (*c*) Was then the Agent of Central Bank of India, Bangalore City; was responsible for having got big clients to Gopala Rao. He got special rates of interest for his amounts and also commission on parties' accounts; failed to render account and evaded to appear before the Committee. (*d*) Failed to render proper accounts and evaded to appear before the Committee; made money on the amounts lent by his parties. (*e*) Did neither render account nor appear before the Committee; was also a commission Agent.
2	Mr. Alvaro Rebeiro, Panjim, Goa	19,800	3,500	...	Do	36	November 1943—December 1946.	
3	K. Ahalya Iyengar	3,000	2,500	...	Do	42	August 1946—December 1946.	
4	V. M. Chettiyappa, Merchant, Tirupur	1,52,000	...	20,930	Do	36—120	September 1943—December 1946.	
5	Rt. Hon. Chidambaram Chettiar, M.C.T.M., Banking Corporation, Madras. (*a*)	2,75,000	21,000	...	Do	96—120	September 1944—December 1946.	
6	A. K. Char, Ex-Engineer, O.O.D. in Damodar Valley Project.	2,000	1,700	...	Do	60	September 1946—December 1946.	
7	Mrs. C. C. Dutt, Civil Station, Bangalore	45,000	...	...	Do	24—30	1943-46	
8	Mr. J. C. D'Mello, 12, Rest House Crescent, Civil Station, Bangalore. (*b*)	30,000	...	25,000	Do	36—40	1942-46	
9	P. A. Devitre, Agent, Central Bank of India, Ltd., Bangalore City, now Agent in Cawnpore. (*c*)	(Details not	available)					
10	Mr. V. J. Figueiredo, 11, St. Marks Road, Bangalore; now in Margao, Goa. (*d*)	4,73,700	8,000	...	Do	36—120 and Commission.	December 1943—December 1946.	
11	Mr. A. G. Gomes, Vasco de Gama, Goa (*e*)	2,53,000	77,000	...	Do	36—120 and Commission.	1944-46	
12	Dr. S. Gopala Rao	4,000	4,000	...	Do	...	December 1946	
13	Dr. B. R. Gangappa	15,000	14,000	...	Do	80	November 1946—December 1946.	
14	Jose Custadio Faria, Margao, Goa	4,000	1,800	...	Do	36	1946	
15	Sm. Leela Rao	5,000	4,500	...	Do	30	September 1946—December 1946.	

Gopala Rao's Clients who neither appeared before the Committee nor submitted Accounts—*concld.*

Serial No.	Name and address of the investor	Amount invested	Loss incurred	Gain made	Law or laws violated	Rate of interest per cent per annum	Duration of transaction	Remarks
	Sriyuths —	Rs.	Rs.	Rs.				
16	Sm. T. K. Rajamma Krishnamurthy, wife of Sri T. K. Krishnamurthy, Assistant Superintendent of Sericulture, Bangalore. (*f*)	16,000	7,000	...	Income-tax Act, Usurious Loans Act.	36	April 1945—December 1946.	(*f*) Sri T. K. Krishnamurthy is the Assistant Superintendent, Sericulture. It is not known how he came by such a big amount. Curiously enough, he did not even prefer claim probably for fear of being questioned about the sources through which he was able to come by the amount.
17	B. T. Singh, District Traffic Superintendent, M. & S.M. Railway. (*g*)	36,000	14,000	...	Income-tax Act, Usurious Loans Act and Government Servants' Conduct Rules.	42	June 1945—December 1946.	
18	S. G. Swaminathan, son of Sm. Ammuswaminathan, Madras.	5,000	...	1,050	Income-tax Act, Usurious Loans Act.	36	April 1946 — October 1946.	
19	Sertario Caeteno de Frias, Mapuca, Goa ...	48,000	27,000	...	Do ...	36—120	1944-46 ...	(*g*) Advanced through Sri S. Sarvothama Rao. Neither rendered accounts nor appeared before the Committee. He did not even claim. Probably he is afraid of being questioned about the sources of his income.
	Total ...	13,91,500	1,89,650	46,980	...	...	...	

N. V. BABU REDDY,

Secretary,

Gopala Rao Enquiry Committee.

FIFTH PART

IMPORTANT LETTERS SEIZED FROM THE HOUSE OF GOPALA RAO

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PROSPECTUS

I, a private Banker of Bangalore City, wish to submit the following account of the prospects open to investors in my concern and of the methods of my business. Investors naturally demand information on certain essential particulars in order to fortify themselves against possible loss.

1. First with regard to the nature of my business : My business consists in financing wholesale trade against R/R of goods in transport and in process of sale, operations lasting short periods of a week or a fortnight. Thus I eliminate all possibility of speculation without economic basis. I annex a share of the profits of real business in production and transport and distribution of timely finance. The real risk is taken by the parties to the transaction in real goods. I only afford financial cover during the process of exchange for a short period. My business is thus rooted in the essential and indispensable foundation of the every day life of business War or no War, men must eat, drink and clothe themselves and earn a living. In addition, the war expenditure has created a huge new demand of a most urgent character for goods of all kinds. This entails a further need for finance to organise supplies. No conceivable change in social conditions can eliminate the need for urgent finance to cover business exchanges and war supplies. I foresee, therefore, no slackening in my line of business.

2. Secondly, granted that there is good demand and that high profits are possible in this kind of financial concern, there arises the doubt regarding the firm and its capacity for successful business. This is a most legitimate point for investigation before investing huge sums of a stranger's hands. Well, I submit, I have been in this business for nearly 15 years here and have built up a tradition for integrity, reliability and giving high profits. I have a circle of close friends and clients of high standing in the business and financial world who can be referred to for information regarding this point. I attach some letters of gratitude and appreciation they had addressed to me last year to accompany presents and mementos they were good enough to send me as a mark of their complete satisfaction.

3. Further, I have built up a reserve of Rs. 2½ lakhs entirely my own, placed in the Bank of Mysore and Imperial Bank for emergencies. I operate on a working capital of Rs. 10 lakhs of which my own is Rs. 2½ lakhs exclusive of Rs. 2½ lakhs in reserve. This should be enough to assure my clients of the soundness and stability of my concern.

4. Again, I have a close and intimate acquaintance with the inner circle of high finance here in Bangalore, with whom I do business. I do not advance to unknown persons or to shady transactions. I advance to persons of high standing with the principal Banks of the City and Cantonment who prefer to draw from me for the sake of special advantages of quick money and almost informal and quiet manner of big transactions possible with an individual like me. There is no need to convince a Board of Directors or a Manager who has to conform to the rules of the Bank and is answerable to the Board. I can advance on my own responsibility large sums, in a few minutes. In this way a circle of big business men look to me for ready accommodation at short notice or no notice sometimes. I have a prospect of ever expanding and sound business yielding a rich harvest before me.

5. This accounts for the high rate of profits I can offer to my investors, since in return, I offer to them only a share in the profits of the wholesale trade, it can be much higher than the rate of interest that can be safely given by any Bank or Institution or than the dividends of any factory. I reserve a smaller portion of the yield for my share than they can as they have to provide for heavy and costly establishments. I have next to no establishment, have eliminated all correspondence and red tape and prefer to follow the principle of personality in business. It is economical and more satisfying in the long run. Following this principle, I have been gradually reducing the number of investors while increasing their investments. This minimises accounting trouble and reduce the number of personalities to be known and served while affording them a higher yield of profit.

6. I have already mentioned that my rate of return on investment is higher than any Bank or Company can afford to pay, for, I treat my investors as partners rather than as shareholders who should be satisfied with a declared dividend,

In pursuit of this principle, I had adopted a certain high ethical procedure. People naturally consider risk ; they hesitate to part with their hard-earned money and entrust it to strangers. Well, to meet this natural and perfectly human psychology, I adopt the plan of paying a very high rate of profit in *the early years.* My idea is that the capital should be doubled in four or five years if left with me or an equivalent amount should have been returned to the investors in that time. For, my calculation is that thereafter the investor's fear of risk will have become completely groundless. He will have recovered his capital and continue to leave a sum equivalent to it for business with me with a now completely carefree heart. I have found this method so successful that the friends who began 8 or 10 years ago have multiplied their capital ten to twenty times and have built up fortunes up to Rs. 7 lakhs in one case and Rs. 3½ lakhs in another. A few friends like this will act as unofficial guarantors of my work and business, unasked and without any risk to themselves. They are so many pillars of support to me in time of emergency.

7. It is not possible to dispel completely by verbal explanation the fears and hesitations of investors, particularly in these times of crisis. I, therefore, make the willing and unprecedented offer of permitting unconditional withdrawal of the entire amount at any stage and a short notice of a few hours. This should make them sleep soundly. They will have their money on demand any day even like a Current Account transaction in an established Bank but with the added advantage of profits at a rate unheard of in any Bank or Institution. Ready realisability thus reduces risk to the lowest possible level open to human foresight.

8. A complete study of the foregoing conditions and method of my business has carried conviction to big institutions like Insurance Companies and other private firms who have advanced heavy sums to me. I enclose references from my principal clients and the Bank of Mysore Ltd., for favour of kind perusal.

In conclusion, I would reiterate that my line of business is fruitful and ever growing and that methods are based upon a sound grasp of economic realities as well as human psychology. I, therefore, leave it to investors to embark on a trial with me and share in the success of my concern, now established for over 15 years and be convinced of the absolute truth of my claims, and veracity of my statements. I am like an Insurance Company in this—its prosperity is identical with the long life and prosperity of its policy-holders. My prosperity rises with the rise in the earning power of my clients.

Mr. & Mrs. C. V. REBELLO
request the kind presence of

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AT A PARTY
on the 1st October 1944, at 7 p.m.
TO MEET
Mr. B. N. GOPALA RAO.

R.S.V.P.
22, Cubbon Road,
Bangalore.

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Our Dear Mr. Gopala Rao,

In esteem and gratitude, we extend a most hearty welcome to you.

It is very good of you to have so warmly responded to our invitation and met us here this evening.

To meet you is, for us, a joy; for, if as a business man, you are a rare find, as a companion, you are an unmixed delight. Between your ability and wit, it is a hard choice. Talking with you is mirth and laughter; and dealing with you is fortune; what a wonder you are !!!

And, how silently you work and serve; and serve and serve. There is not much ado about your business. Without fuss, you plod on, years on end; and without a demur or demonstration you build fortunes for others and uncanny about it all is that you never seem tired.

Your integrity in business is unexcelled; your charity, unprecedented. Alike in ability and sacrifice, there is not another to match you. In method and execution of business, you are without a second; why, you are the very embodiment of capability and robust common sense.

We are indeed, a fortunate lot to have contacted you in business; for, you have chased want and fear from out of our lives.

Our debt to you is great. You have given us as no man has given, not even our dearest and nearest. Our fortune is virtually a charity from you, for, we have earned it without any effort, worry or even knowledge as to how it has come to us.

These years, you have gone on giving and we have gone on receiving. We have had our small capital doubled, trebled and quadrupled. With some of us, who have done business with you for some years it has multiplied beyond reckoning.

You are verily the fabled hen that laid the golden eggs, only with this difference that she laid only one golden egg a day whereas your fecundity is something prolific and is to be reckoned in hundreds.

We have gathered here today, resolved to make sure that this wonder-hen is helped to be housed and sheltered snuggly and grandly and that she and her brood are enabled to live and prosper for many useful long years so that still greater advantage may be gained from her and her family by this suffering world. We are not ourselves quite sure whether the function to-day exhibits our self-love or gratitude. God knows what it is.

Dear Mr. Gopala Rao, you can, from today look upon us as a fraternity sworn to unflinching loyalty and devotion to you. We are beholden to you for all time.

As a symbol of our great resolve, we most heartily offer you this casket with a token present of two and a half lakhs of rupees. The purse is a tangible demonstration of the pledge. Please accept this the value of the golden eggs that our baskets cannot hold. Let this casket remind you always that you have given us more than what we could retain and what our hearts could contain. Please accept this, our humble offering, so that God may bless our remaining earnings from you.

May God grant you and your family peace, plenty and prosperity and a long, long life.

We are your grateful friends.

My Dear Friends,

I am deeply moved by the warmth of your welcome and the touching sincerity of your feelings. I am very very happy to be in your midst.

To-day you have done me the honour due to a king. I pray God to give me the strength to bear this great honour, humbly and grandly.

You all think me a marvel, as a business man; I consider that each one of you a rare find as a friend. If you have been lucky in doing business with me, I have been no less fortunate in making friends like you.

Where should I have been in business without you? What could I have done, if I remained still in the clutches of an usurious and unsatisfyable Shylock. Let me confess, I am today, what your kindness, your confidence has made me. Need it, therefore be said that I owe my present position to you all?

When you started business with me you chose to trust a virtual—and shall I add with your permission, a virtuous—beggar. You dared and risked your moneys in my poor hands. Now that I come to think of it, I am struck by the extraordinary courage you displayed in trusting me, some of you not merely with a part of what you had but with all that you could lay hands on. This implicit trust and confidence in me, gentlmen, inspired and stimulated my efforts. God be praised! It all came off grandly; I met with unprecedented success; your money soon multiplied.

Let me confide, I have not known and experienced a greater joy than to struggle and strain to make your thousands into lakhs and to surrender them to you, humbly and joyously, even as I lay my offerings at the feet of my God.

These years, the pleasure of success and service was my share; its fruit, yours. The joy of giving was my sole monopoly, all this time. I see you have all conspired and wrest it out of me today; you have deprived my place of pride. You have managed to unravel and unfathom the secret of giving and the esoteric joy it affords. With unremitting vigour and vigilance, I pursued my service to you, as an austere penance of suffering and sacrifice in the sure belief that a time would soon come, when you would feel satisfied and satiated and I would be amply rewarded. I am glad, my hopes have not been belied and I rejoice to see that Great Day has come and the Rich Reward too. The beautiful casket with its treasure symbolic of your genuine feelings towards me, rejoices me as it does your hearts.

I remember the days, when people either shook their heads at my ways and remarked that I had a deep game in my business or, considered me a big fool to give away nearly all that I earned. Between these two, I was either a rascal or a dupe. I am happy, I am neither, as you yourselves have come to know of me. May I gently pinch their ears and ask them as to who it is that is fool now, I or they? To hear of their theories of me and my business is no less amusing than fanciful. You know how they swore from the house-tops that I was a dupe and you all, a tragic band of innocent victims heading for certain ruin. They were counting days, months and years with all prophetic earnestness to come to you and remind you of their warnings. Sixteen years have rolled by and their prophecy has not come to pass; and God willing, shall never see the light of the day. Sceptics never came near me; doubtors dropped off one after another. Only the trusting clung to me. And I dare say that those that trusted me have nothing to regret, except perhaps, that they did not trust me more. Trust enriches life; suspicion impoverishes it; calculation acts as a deterrent.

It will never do to have too much of the head pardon me if you find me sermonising. I, for my part, want to be all heart and no head. For, are we not told that God's abode is the heart and not the Head. He is not in your calculations; He is only in your feelings.

From my very early days, I was ardently dreaming to do something very big and serve the society so that my life might be worth while. I realised that money was a great potential in service and my thoughts ran on plans of making money. The men that moved swiftly in cars, owned palaces and spent money like water or rather on drinks, impressed me as a very extraordinary tribe of mankind, alike to God. They seemed so distant from me in my days of poverty that I shrank at their glance; I fancied them infinitely big and I infinitesimally small. This infinite distance and difference between me and them was a challenge to my wits and now those people are here to honour me!!

One auspicious day, I took a solemn vow and made a pious resolution to accept this challenge and from that day, I was a different man, I plunged into the battle. My Battle-Cry was Service to others, my Weapon, Integrity ; my Military Strategy, Surrender of 90 per cent of profits. Tell me, my friends, if I have not fought valiantly, all right. With integrity as one's principle and service as one's goal, can anyone ever fail ?

Honesty in business means being correct, being true ; it is a hard and severe trial for any ; it is an acid test of character and not so much ability. I could easily have retained what your money yielded, but believe me that at no time in this long period sixteen years Satan got better of me.

That which you now give me and have thus given me, is alone mine ; I know too that all the spiritual value of prayer and love, gratitude and blessing is inside this casket. Being outpourings from grateful, sincere and satisfied hearts, it is to me a gift from God. I eagerly seize it and treasure it. This alone is mine now and my children's after me.

Let the lovely casket serve as a symbol for my children as to what honesty can make. Let it serve me as a remembrancer of what I owe you.

I am profoundly thankful to you all for this signal and unique honour done to me. I wish you all peace, plenty and prosperity. May God keep you and your family all in ever increasing measure of happiness and joy.

I am, yours very gratefully,

2100, Link Road,
Malleswaram.

C. F. DE SOUZA, B.A, LL.B.,
Advocate.

25-B, HOSPITAL ROAD,
Bangalore, dated 6th February 1942.

DEAR MR. GOPALA RAO,

I am sending you this Gold Watch and Chain as a token of my gratitude for the financial transformation you have effected in my life and in that of my family. I know that it is a poor return for all that you have done for me.

I started business with you in the year 1938-39 on the advice of Mr. C. V. Rebello, for whom I entertain the highest regard and respect. If it was not for his selfless and kind thought, I would never have come in contact with you and in which case it would have been a catastrophy.

The amount of trust Mr. Rebello infused in me in your business was so great that I immediately invested with you the little savings I had and which I had withdrawn from the Bank due to the scare at the time. The enthusiasm in your business was so overwhelming that I trusted you more than any Bank in the Station. This was during the time Banks failed one after another.

With that little investment, I started and carried on unceasingly till to-day, increasing my investment from month to month and from year to year without the slightest doubt in your integrity and business acumen. In fact, I made a special study of your business methods and I was able to satisfy myself that there is absolutely no risk in the line of business you are so successfully conducting. It would not be an exaggeration to say that you have completely eliminated the element of risk in your line of business.

The fact that your business is free from risk and the fact that your integrity and business acumen is above question, I undertook to secure and have secured other investors to invest moneys through me in your business. They have reaped immense benefits, particularly certain Charitable Institutions, which, but for your timely help, would have closed their doors due to the War and to lack of funds.

It is very difficult to express my gratitude and that of the others who are carrying on business with you through me, in words. We can only pray to God that he may give you the strength to carry on the noble work which you have so far so successfully carried on. May you prosper a hundredfold, for, in your prosperity lies our strength. You are our safety first and safety last. GOD BLESS YOU and YOURS.

Yours sincerely,
(Sd.) C. F. DE SOUZA.

B. N. GOPALA RAO, ESQ.,
Link Road, Malleswaram,
Bangalore City.

BANGALORE,
25th November 1942.

MY DEAR MR. GOPALA RAO,

It is now a year since by the Grace of God you and I came into close contact, through the kind intervention of Mr. Rebello, and I feel it a duty to express to you in the fulness of my heart my gratitude for what you have done for me within the year.

Dear Mr. Gopala Rao I may say that by the Grace of God and through your instrumentality the whole aspect of the few remaining years of life for me has been changed from a gloom and worry to ease and peace of mind.

It is very rare in the world as it is today that one comes across a personality of your sterling character and unselfishness, as you have shown yourself to possess and I pray to God that our connection which has ripened into mutual respect and friendship will continue without any break till the end of the few remaining years of my life.

Thanking you once more for your good feelings towards me and wishing you a long and happy life, I conclude this with an earnest request to you to accept the little present enclosed herein as a mark of my respect and regard for your good self. May God bless You and Yours.

Yours sincerely,
(Sd) FRAMJEE B. COLAH,
No. 2, Cunningham Crescent,
Bangalore Cantt.

C. F. DE SOUZA, B.A., LL.B.,
Advocate.

25-B, Hospital Road,
Bangalore,
10th January 1943.

Dear Mr. Gopala Rao,

A New Year has dawned and with the New Year an impulse and a resolution have taken shape. Looking back into the past year, I have as far as I am concerned, noticed a marked change in all respects. My financial stability is assured and mine and my family's outlook very much brighter. I have in 1942 acquired another immoveable property.

To many, this improvement in my status has been a mystery. But to me it is far from being a mystery. I know exactly to what extent I have to acknowledge you as the person solely responsible for the progress and achievement if I dare to call it so. It is but natural that gratitude is awakened in me, but the mere sensation or the expression of gratitude does not go to the length of satisfaction. A man who is not grateful should not be born and if born, should tie a mill-stone round his neck and drown himself. But gratitude, to be of any value must take some tangible form and I have been agitating my mind as to what form it should take. The usual method of indicating the sensation or expression of gratitude is by presentation of a gift. But no form of article presented to you would adequately redeem the debt I and my family owe you. A present or a gift must be given only to a person who is in need of it; otherwise, it would be in effect worthless. What need is there to supply water to the Ocean? I have therefore given a good deal of thought to work out the ways and means by which I could repay the debt of gratitude I owe you. From the very commencement that I have come in contact with you, I have noticed one significant feature among others. Your thought throughout has been not the aggrandizement of self, but the strength of your friends. Self was absolutely absent in your case. Throughout these years you have worked for others and your noble intentions have been realised in full. As far as I am concerned, you have made me strong sufficiently to withstand the storms and troubles of this world.

When Banks give us 6 per cent per annum or immoveable property gives us a return of 6 per cent per annum, we consider this form of investment sound and beneficial. When you have given us double and triple a return, we cannot but say that the investment through you has been magnificent, but there again mere expression of good intention is not sufficient return for the good that you have done. I have therefore considered a plan which if put into effect would to a small degree repay the debt of gratitude due to you as well as to a small extent strengthen you so that you may be able to face the storms and difficulties of the world. You have made me strong, it is my turn now in a small degree to make you feel strong, and not only feel strong, but also to be strong. One resolution therefore that I have made for this year is, to call upon you to reduce the rate of interest that you have given me so far to a manageable limit. Personally I would be more than satisfied if you can give me 18 per cent per annum on my investments. However, I leave the reduction of the interest entirely to your discretion, for, I know from personal knowledge that you sin more towards generosity.

You have all these years borne a great responsibility and a great burden. You have planned and perhaps spent many sleepless nights attempting to make the plans a success. That you have succeeded in all your endeavours none of us can doubt it, but at the same time none of us can also doubt that you have gone through a number of sleepless nights.

I have therefore thought it my duty to place whatever resources I have, however small they may be, at your disposal. You can rest assured that you can always rely on my full co-operation and sympathy and it will only be the greatest pleasure for me to give you any assistance that I could possibly give and which assistance you may hardly need.

It is superfluous for me to wish you success in the New Year. You had made a success of yourself long before you came in contact with me. After you came in contact with me, you have made a success of me. You brought into play all my faculties which lay dormant for want of guidance. You have not only been a friend-in-need to me, but you have also enabled me to be a friend-in-need to many others who were in dire necessity of my assistance. Not only you have been a service to me, but you have also indirectly through me been a service to many others. Service to humanity is service to God. This statement of mine covers all your activities. You have combined business with service, and generosity with careful far sightedness. May God in all HIS wisdom give you sufficient strength to carry out successfully the work that you have set out in life in this YEAR and in the years to come.

With all best wishes to you and to your family.

Yours sincerely,
(Sd) C. F. DE SOUZA.

B. N. GOPALA RAO, ESQ.,
Bangalore.

NARAYANA AIYAR & CO.,
Registered Accountants.

Senior Partner :
T. S. NARAYANA AIYAR, G.D.A., R.A.
Junior Partner :
P. KALYANASUNDARAM, G.D.A., R.A.

Telephone No. 88055.

" LALITHA SADAN ", .
4, Bhagavantam Gupta Street,
Thyagarayanagar,
7th May 1943.

MY DEAR MR. GOPALA RAO,

Words fail me when I express my feelings of delight and sense of gratitude and when I think of Mr. Sarma, who, as an intimate friend has been the cause of our close relationship in helping each other with a broad outlook in life and on your part to move with the main idea of helping small financiers to your utmost capacity. Thank you very much for your kind letter of the 6th inst. enclosing two cheques on the Imperial Bank, Bangalore, of Rs 6,000 dated 8th August 1943 and of Rs. 540, dated 8th May 1943 towards principal and interest respectively.

I am fully convinced that you are not an ordinary businessman of a selfish motive but you are actuated by high ideals coupled with a sense of mutual benefit and co-operative spirit.

May God bless you with long life and prosperity and with ever increasing business activities so as your close friends and affectionate customers may have the increased fortune of enjoying your talents and partaking your humanitarian services to which you seem to have a special aptitude.

With my best regards,
Yours very sincerely,
(Sd) T. S. NARAYANA AIYAR.

Karnataka State Archives, (13)
(Departmental Library)
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ಪ್ರಾಪ್ತಿ ಕ್ರಮಾಂಕ Accession No. 2038
ದಿನಾಂಕ Date

MINERVA MILLS,
28th October 1943.

MY DEAR MR. GOPAL RAO,

It is now four years since I am doing business with you. To tell you the truth, I began business with you with an undertone of anxiety and scepticism. Friends spoke of you in terms too high for belief. They referred to your Nature-like regularity and promptness, which appeared pardonable hyperboles from persons, who were deeply indebted to you; but as the months and years rolled on your payments and credits to my account, I was amazed to realise, bore out to the letter the utmost encomiums of our common friends. It is a puzzle and a wonder to me, in the first place, how you can make such large profits from capital invested, and a still greater puzzle and wonder how you can make up your mind to pay out such large proportions of your earnings on investment. Both your system of laying out finances for investment and of paying out the greater part of the profits to clients are unique and I am quite sure, must be unsurpassed.

From the point of view of the lender, I must say that all the usual scruples, fears and anxieties regarding the safety of the capital, the regularity and promptness in the arrangement of payment of interest, all these vanish like mist before the rising sun, after a few months of dealing with you. The principle is guaranteed because you give a cheque which can be cashed in any moment. The interest is paid with automatic regularity. One becomes reluctant to take back the investment; for, so great is the rate of profit, being much higher than all other avenues of investments and so prompt is the payment like sun-rise or sun-set. Your financial integrity has only to be experienced to be believed.

I am thankful to God, for all you have done for me. I have been thinking over some symbolic way of expressing my heartfelt joy and gratitude to you for all your services to me, during these marvellous years. I am quite certain that no other mode of investment would have doubled my capital as you have done, and no other person and business I can think of.

Seeing that Deepavali is an occasion for presents among Hindus, I have got a gold chain worth Rs. 1,500 prepared. I request you to accept it as a humble but sincere token of my heartfelt joy and gratitude to you for your unique and unheard of beneficence to me.

May God bless you and your family for many more years are my earnest prayers.

Yours faithfully,
(Sd.) WILLIAM X. PINTO,
Manager, Minerva Mills.

M. B. TIVARI,
ADEN (ARABIA).

6, KANKANHALLI ROAD,
BASAVANGUDI, BANGALORE CITY.
12th December 1943.

DEAR GOPALA RAO,

Hope you won't mind the salutation without a Mr.— I think we are quite familiar to each other now. I want to record here a few facts and feelings about our business relations.

As you know, it is just over a year since I started with you on a scale which was trifling and which increased in volume as confidence was being gained gradually by my experience in your punctual payments. Being in business myself for the last twenty-five years and knowing as I do the ups and downs in trade which confront every one, I think yours is a marvellous feat of paying by way of interest almost my original capital in such a short time which achievement was no doubt hastened to some extent by my re-investments with you constantly. In fact by next month this original sum will have been covered completely, though there will still be on your hands about 20 per cent which is re-invested and which could be called " the only outstanding risk " as I have the intention of leaving on your hands the round sum comprised of the original and the re-invested.

In well-established business, it is of course possible to earn as much as you are giving now, but it does not come easy. I know what an amount of worry and hard work are involved, while you at the appointed time and date go over yourself to your client and count out the cash for which he has not strived. The only effort he is expected to do is to place his confidence in your ability and once you pay back his capital by way of interest, I don't see why he should worry about this confidence business either, unless he is an unscrupulous fellow........I have absolutely no idea as to the nature of your business, neither have I any idea about the profits you are making. Yet I feel that you have been according rather too high a rate of interest, at which perhaps you are depriving yourself of a major portion if not the whole of your profits—a sacrifice that no human being is capable of making in any business of my knowing. I think that you are giving this sort of service to make your clients feel that they are safe and " out of risk " once their capital is paid back—it might be a wise policy, but I am not quite sure. Your experience should be the guide. So far as I am concerned, I think we have reached a stage where it would be unfair on my part if I were not to suggest that I be allowed to reciprocate your good services as much as possible. After all it is *you* who are working and it is my turn now to see that you are placed in a position to retain a good share of your profits out of my investments with you. So I would very much like that you make your calculations well and accord me a rate which is left to your entire discretion and which will leave you a good part of the profit on my original capital which is going to be covered up next month. As regards the balance representing about 20 per cent of this capital which is re-invested, it is suggested that you accord a little higher UNTIL this too could be marked of as " out of risk ". It is only a suggestion I am making from business point of view—but mind you that in both the cases the rate of interest to be fixed, is left to your discretion. In short I want you to make the calculations in such a way that the major part of the earning on my investment be retained by yourself and I should be immensely pleased if I should hear from you when you next call on me, that this object of mine is achieved by according the rates that you are likely to fix next time.

I thank you very much for the services rendered so far and wishing you the best of luck.

Sincerely yours,
(Sd.) M. B. TIVARI.

PETER N. DE SOUZA.

7, Rest House Crescent,
Bangalore,
16th December 1943.

My Dear Gopal Rao,

When I heard of your terms of business, frankly I was sceptical. They were too good to be true. When for months, I received unheard of returns on my small outlay, I was thankful. But felt that it could not last long. But years passed and steady stream flowed without a quiver or set back. Believe me, Gopala Rao, the genius of your methods takes my breath away. But genius alone is not enough; your passion for keeping your word and for making your clients interest shock proof, ultimately carrying on only with a part of the profit, long after the original investment has paid itself over and over again, is unique. I have now realised that God had thrown me into Association with a rare type of personality who values character, moral values, affection and friendship more than money and selfish advantage. You have eliminated all risks in my business dealing with you, for I have got my investment long ago. All that comes to me now is super profit, *i.e.*, profit on profit. Your heart, surpasses your head. As a small symbol of what I feel about you, I request you to accept the accompanying silver articles as a memento of my heart-felt gratitude. Let me now tell you that no moment is more trying for your clients than at the moment of deciding to give you presents or express the feelings of gratitude, for it is at this moment they realise the magnitude of your help on the one hand and the littleness of themselves on the other hand. While sending you this present I am not giving you back even one per cent of what you have given me. If you will only bear in mind that out of Rs. 100 you have given me, I have retained Rs. 99 for myself and I am giving Re. 1 back to show my gratitude to you and ; if I could not be a little bit more liberal than this one per cent with your own money and to yourself the giver how could you give me hundred is a thing which perplexes everybody.

May God bless you and your family with long life and prosperity in our daily prayer.

Yours very sincerely,
(Sd.) P. N. DE SOUZA.

Dr. F. H. NORONHA,
M.B., Ch.B. (Edin.), D.P.H. (Camb.)
9 to 11 A.M. & 2 to 4 P.M.

Telephone 159,
99, Brigade Road, Bangalore
31st December 1943.

My Dear Mr. Gopala Rao,

The ' New Year Day ' is always one of retrospection. Naturally my thoughts have kept recurring to our past association for some weeks now. As you know, our business relationship has developed such a deep overtone of ethical feeling that it is no longer merely a cash nixus. You are a rare phenomenon among business men. You combine ethics and business in a unique profit-sharing system. You offer unheard of rates of return on capital advanced to you. You tap thereby deeper levels of response from the heart than is possible in the ordinary way of business. It is within my knowledge that a number of friends have reached a state of affluence beyond their dreams through your assistance.

Now it has often occurred to me that the inspiration of your example and method should be canalised into an organised institutional form so that it may function as a permanent fountain of service. An institution of the kind I am envisaging will carry on your unique combination of service and business as a living tradition. It will be able, by bringing together the efforts of an ever-increasing number of workers of ability and character, to extend the benefits of your methods to an ever increasing circle of the needier classes of society. There is a plethora of companies, of one kind or another, which cater solely to the profit-making motive of the well-to-do, exploiting in varying degrees the rest of society. It would be a suitable acknowledgment of your services to me and to your circle of friends generally to bring into being an institution of the kind I am referring to. I have chalked out the outlines of a Finance and Investment Corporation to function as a private limited company. It could collect capital from a circle of like-minded friends, keenly appreciative of the higher motives of service and philanthropy and convinced, by your example, of the possibility of synthesising profit and service. It could finance sound schemes adumbrated by men of character and ability and help them to find their feet in the business world. It would bridge the gulf between the Haves and Havenots, the gulf that has always engendered social discontent, revolution and other social poisons from which society has been suffering. We could find avenues of investment for the well-to-do which will *ipso facto* create avenues of employment for the duly qualified in the way of ability and character. We could bring into being colonies or settlements of workers and of the lower middle classes of people, who will come to *own* their homes by a well-devised *hire-purchase system.* In other lines of business, too, we can help people to help themselves, which is infinitely better than charity of the old variety, which leaves the poor and helpless as a drug on the market and a perpetual burden on society. An effective institution of this kind, properly worked by the right people, who share our enthusiasm and can realise it in practical forms would be a fitting emblem and acknowledgment of your unique methods and unique success. It is my wish that it should develop into a social institution stimulating creative philanthropy and self-reliance from generation to generation in ever-expanding waves of beneficence. Of course you know that this philanthropy of ours will be firmly based upon sound business foundations, drawing, as it does, on your proved record of financial acumen and experience.

This is the real inwardness of the inspiration for the Finance and Investment Corporation for which I asked you to support me sometime back. It is awaiting the sanction of Government for the issue of capital involved. I hope before long that the world will come to know that we are not merely dreamers, but men with vision, who can realise it in terms of practical serviceability by establishing a veritable dynamo as it were of ever-increasing service.

Meanwhile, I am sending you the accompanying necklace as a New Year present as a small token of the regard I have for you.

With Best Wishes,

I am,
Yours sincerely,
(Sd.) F. H. NORONHA,

B. N. GOPALA RAO,
Link Road, Malleswaram.

7, Grant Road,
10th August 1944.

Dear Cousin Vincente,

I was very pleased to read your circular letter brought here by Vincent (Junior) more especially as my mind had been working for some time on the point you have raised to give Mr. Gopala Rao some tangible token of *my* recognition of the great and steady service he so freely gives without expecting any return. Anything I alone could do seemed miserably small. Soft and sweet words, in common parlance, "butter no parsnips" and any gift from an individual would always seem hopelessly inadequate.

In giving us a chance of writing in a combined effort that will express our appreciation of Mr. Gopala Rao's unique work, you have not only done the right thing, but done it also in the right way.

Never in my many years, some of which were spent in Europe, have I come across another case of the deliberate abdication by a man of the title to the full product of his labours in favour of others less gifted, and less successful.

Having known privation and poverty in his earlier years it would have been pardonable, and even natural, if Mr. Gopala Rao in his prosperity had turned on the society which our civilization has built, and thought—"The world is now my oyster, and I am going to enjoy it to the full." Quite the contrary has happened in his case. Struggle has deepened and enlarged his fellowship with his kind, and very real charity inspires both his generosity, and his judgment of persons.

Mr. Gopala Rao is so spontaneously unselfish and high-minded that the thought that he might have been a millionaire if he had not shared his gains with many, has no regrets for him. He would have been wretched if he had not done as his nature prompted him to do.

I have lived among the moneyed classes both in Europe and in India, and I feel it has been a liberal education to me to have known the philosophy of Mr. Gopala Rao and to have studied his mental processes. It is good to remember that he is a son of our India.

The amount I have to contribute is small as my admission into the group of his clients was recent and our joint capital small, but my children and I am glad and happy to send our mite.

As I would wish that Mr. Gopala Rao should receive our gift on *Dipavali* day, (that, I take it, is also your intention) I will send you a cheque of Rs. 5,000 (five thousand) on the 1st of October. I write this just to assure you that we unhesitatingly support your splendid idea of giving back to him a tithe of the abundance received from him.

My kindest remembrances to you, Eloira, and your children.

Very sincerely yours,
(Sd.) EMMELINE DA COSTA.

Minerva Mills,
11th August 1944.

PRIVATE AND FOR YOUR CONSULTATION.

My Dear Mr. Rebello,

I agree with you and all you say about Mr. Gopala Rao. He is really a wonderful man and am glad that you had connection with him 8 years ago and that you are contributing 1/10 of your gain Rs. 75,000. Now my case—private opinion from you—I am really to give 1/10 of what I made with Mr. Gopala Rao. I started business with him 5 years only and have made leaving my capital out Rs. 90,000. So I with a willing heart am ready to give, but if you all can give me a little more time I wish to give full Rs. 10,000 as my share towards your appeal which is quite sound and agreeable.

My particulars and my capital and hard earned money with Mr. Gopala Rao. I started business with Mr. Gopala Rao on November 15th, 1939.

1. Amount for interest Rs. 3,000 on 15th November 1939.
2. Amount for interest Rs. 1,000 on 12th December 1939.
3. Drawn from Minerva Mills account amount for interest Rs. 1,000 on 1st January 1940.
4. Drawn from Mysore Mills account amount for interest Rs. 3,000 on the 5th March 1941.
5. Drawn from my insurance amount for interest Rs. 3,000 on the 1st May 1941.
6. Drawn from my insurance amount for interest Rs. 3,000 on the 1st August 1942.
7. Drawn from Minerva Mills shares amount for interest Rs. 2,000 on the 1st September 1943.

This was all my outside money in Bank shares, etc., and made on a lumpsum of Rs. 36,000; I was saving regularly Rs. 200 per month from my pay—62 months, Rs. $62 \times 200 = 12{,}400$ *plus* $36{,}000 = 48{,}000$. Interest on all this amount for 5 years—Rs. 2,000; my total capital therefore is Rs. 50,000.

(1) Of this amount I bought a car in 1940 for Rs. 4,240. (2) A house for Rs. 25,000 in 1944 March. (3) I sent to Bombay to my relations Rs. 20,000 in July 1944. This is all my capital. Rs. 50,000 I have used now. I have with Mr. Gopala Rao only Rs. 90,000 and if you want the amount to be given immediately I will most willingly give my 1/10 contribution.

This private letter is for your opinion. Please reply urgently on the matter as Mr. Gopala Rao comes over on'15th to renew a cheque of Rs. 15,000. I give him Rs. 10,000 and keep Rs. 5,000 cash as I am going to repair my house which will cost me Rs. 10,000. If you can wait it will be a great help for me (You can count upon me as 10,000).

Awaiting your reply.

I beg to remain,
Yours faithfully,
(Sd) W. X. PINTO.

N.B.—I have enjoyed Mr. Gopala Rao's money most lavishly as going to Bombay or Goa, means 2 or 3 times.

(Sd.) W. X. PINTO.

BANGALORE,
15th August 1944.

MY DEAR MR. REBELLO,

In my personal interview with you the other evening I explained to you my feelings regarding the subject matter of the letter you so kindly sent me through your son and I now confirm same in writing.

I am wholeheartedly, cent per cent in agreement with the views and sentiments expressed in the letter and am quite prepared to offer my humble share in a purpose about which there can be no two opinions among parties concerned.

Dear Mr. Rebello, the services which Mr. Gopala Rao has rendered and is rendering to such of us who have the good fortune to have come into contact with him are unique.

God-fearing, selfless, altogether altruistic in outlook, large-hearted and humble, a combination of virtues rarely met with in present day world as it is, Mr. Gopala Rao is one to whom homage is due from all of us who have reaped the harvest of his beneficence and generous heart.

To him, every one must admit personal gain is of no count, and just because it is so, it is not meet that on that score we, his friends and admirers should sit quiet and not do our obvious duty by him to show in a concrete form the esteem and appreciation we hold him in and lay before him the humble tribute of grateful hearts.

Dear Mr. Rebello you go on with the worthy task you have undertaken and do not be deterred and discouraged by stray back sliding, etc.

Wishing you unqualified success,

With regards,

Yours sincerely,
(Sd) FRAMJEE B. COLAH,
2, Cunningham Crescent,
Bangalore Cantonment.

7, Rest House Crescent,
Bangalore,
23rd August 1944.

My Dear Mr. Gopala Rao,

I have just seen a letter from one of your clients suggesting that all of us who owe you so much should offer you one-tenth of the profits we have made from you, and though this letter is not sent to me personally (probably due to my not being your long-standing clients) I willingly and gratefully come forward to offer you my contribution which though not large like your old friends, is sent with a grateful heart and in deep appreciation of all you have done to me and to my family.

A little over two years ago when War conditions made it impossible to get supplies from Europe I was finding it difficult to carry on with my stamps business and meet my usual family expenses. I was almost in despair when a good friend brought you into our life, and since then it has been all milk and honey you have given us generously as no other man in this world—not even our nearest and dearest—would ever give, and no words of mine can ever express all that my family and I feel for you. You have been like a father to us all and I am sure none of your friends will ever grudge the small present asked for out of the very profits you yourself gave them.

I enclose a cheque of Rs. 6,000 and again express our heartfelt gratitude for the help you our Godsent and unsurpassable benefactor have given us. You may be sure we will always remember you and your family in our daily prayers and ask God to keep you in good health and protect you to carry on with the good work for very many years.

Yours ever grateful,
(Sd) P. N. DE SOUZA.

N. S. SIRUR.

MALLESWARAM,
28th August 1944.

DEAR MR. REBELLO,

I duly received your circular letter in connection with the move to collect funds for presentation to our friend Mr. Gopala Rao in token of our gratitude to him for his very valuable services to us and the benefit he made us derive thereby with a magnanimity beyond one's dreams.

I am really happy that you have taken the lead in this laudable movement· I cheerfully make the contribution in appreciation of Mr. Gopala Rao's qualities of head and heart. By diligence and intelligence he has devised a novel and honest method of his own to earn handsome returns in his investments. I have heard of other people who have been lucky in their business transactions and amassed wealth. But I have yet to come across another gentleman like Mr. Gopala Rao possessing such a generous heart as to make his friends share handsomely in the fruits of his labour. Our regards for Mr. Gopala Rao are better felt than expressed in words. I should not therefore let go the present opportunity of heartily joining friends like you in testifying our deep regard and high esteem we have for him.

It is seldom that transactions of the kind we are having with Mr. Gopala Rao result to mutual benefit bearing such abundant returns and those of us who have been associated with him can only have admiration for his singular honesty, and uprightness, his large capacity for mutual accommodation and his instinctive desires to share with friends the fruit of his great and vigilant efforts.

I am sorry I started very late in my dealings with Mr. Gopala Rao and I have derived benefit thereby. In appreciation of that benefit I enclose here with a cheque for Rs. 5,000 as my contribution to the gift fund.

I am,
Yours very sincerely,
N. S. SIRUR.

K. R. ANANTAMURTI,

2145, Link Road, Malleswaram P.O.,
Bangalore,
Dated 1st September 1944.

My Dear Mr. Gopala Rao,

In consideration of the profound respect and high regard and esteem I have for you, as a token of my deep sense of indebtedness and gratitude and in requital of the favour and immense good you have been conferring on me, I beg to hand you this auspicious Day, Anantha Chaturdasi—may your happiness and prosperity ever remain Anantha and infinite—my humble and grateful offering of rupees five thousand in cash which kindly accept. I know that what I am giving you is but a trickle of what I have received at your hands, but I feel encouraged to do so, as I knew, it is not so much the monetary value as the spirit with which the offering is made, you value most. I have no doubt that the humble present I am offering you now is all but too insignificant and inadequate, but I do so in order that the money I have earned through you, may, at all times, remain mine ; so that it may be blessed money that should stay and multiply ; money that should bless him that gives and him that takes. I feel sure, I shall be richer and happier for all this giving. Let me, therefore, give this freely and joyously even as I have received it from you.

" Let us render unto Cæsar what is Cæser's ".

Wishing you continued good health and a full measure of prosperity, peace and happiness in life. I am.

Yours sincerely,
Sd. K. R. ANANTAMURTI,
1-9-44.

5th September 1944,
BANGALORE.

DEAR MR. GOPALA RAO,

Myself and my wife heartily thank you and Mrs. Gopala Rao for kindly accepting our invitation.

On one memorable afternoon I met you first at your place on June 1941, when you took the trouble of explaining to me all, about your business, how you started it and how were able to earn huge profits.

The impression you first created in my mind was so powerful that I have thought of nothing else. Since then and each time I have seen you since I have been more assured that you and you alone are able to help me in improving my earnings and accumulate huge profits. I took advantage of your good nature and started doing business with you, with an open mind. By your unbounded liberality, I have been able to build up my capital in a very appreciable manner and all my thanks go to you.

You have made my home smiling, enabled my eldest son to complete his technical studies at Bombay and my youngest son to study medicine in the Medical College at Mysore, a very expensive course of study which my son expects to complete within a couple of years. Myself and my children are very much indebted to you and we do not see our way how we could repay your kindness.

Will you confer upon me a great pleasure by appropriating to your own use the accompanying trifle (a cheque for Rs. 500) and oblige.

For all times to come myself and my family, pray God that He may shower His choicest blessings on you and your family.

Thanking you once again for all what you have done and continue to do.

I remain,
Yours sincerely,
Sd. B. I. SESHAGIRI RAO.

Telegrams : " DENTISTA "
DR. CARLOS F. DA COSTA, D.D.S. (Port).,
Dental Surgeon.

Telephone No. 150.
" PARADE VIEW ",
34, SOUTH PARADE,
BANGALORE,
Dated 7th September 1944.

DEAR MR. GOPALA RAO,

Since writing to Mr. Rebello on the 12th August, I understood that you would prefer cash to houses, so that you may invest the money on investments of your choice.

It therefore gives me a good deal of pleasure to request you to take away forty thousand rupees (Rs. 40,000) from my present investment with you, at the beginning of January 1945.

Thanking you once again for all you have done for me in the past and pray that God may bless you and your family for ever.

Yours very sincerely,
Sd. C. F. DA COSTA.

Telegrams : " DENTISTA "
DR. CARLOS F. DA COSTA, D.D.S. (Port).,
Dental Surgeon.

Telephone No. 150,
" PARADE VIEW ",
SOUTH PARADE,
BANGALORE,
Dated 7th September 1944.

DR. MR. REBELLO,

I thank you for your letter of the 27th August, received by me only on the 1st instant.

I have this day written to Mr. Gopala Rao to take away Rs. 40,000 from my capital at the beginning of January and to take that as my contribution instead of what I had offered him in my letter to you of the 12th August.

Yours v. sincerely,
Sd. C. F. DA COSTA.

BANGALORE,
16th September 1944.

MY DEAR REBELLO,

It would indeed be superfluous on my part to tell you that I am entirely in agreement with you in your proposal to present our friend and patron Mr. Gopala Rao with a purse and in enclosing a cheque for Rs. 3,000 as my contribution. I offer it as a token of love and gratefulness to a person whom, metaphorically speaking, I consider to be living in a plane very much higher than our own. Mr. Gopala Rao by his large hearted generosity and selflessness has made so many of us enjoy the riches of the world beyond our wildest dreams that he may well be called the Modern Allaudin and if there is one man who takes a pleasure in sharing with his riches with his fellowmen, it is Mr. Gopala Rao and I pray the Almighty that He may shower his choicest blessings on Mr. Gopala Rao and his family.

I feel that I cannot close the letter without expressing my gratitude to you for having given me the opportunity to come in contact with such a great personality and I only hope that Mr. Rao will accept the little that I give with the same feeling of love that he cherishes towards his fellow-being in general and his clients in particular.

Thanking you once again,

Yours sincerely,
Sd. S. MANGESHA RAO.

2, LANGFORD ROAD,
BANGALORE,
20th September 1944.

MY DEAR GOPALA RAO,

I write to wish you and yours a happy Deepavali and may God bless you and your family with every happiness and prosperity through the coming years.

Words can barely convey our deep sense of appreciation of the service you have and are rendering us and we pray that God in the fullness of His Mercy will give you the Health, Strength and Wisdom to bring all your plans to fruition.

Our lives, in these difficult war days, have been made easy by your benevolence and munificence; we have been able through your generosity to assist relations and institutions and we look forward to this continuing to our comfort for the remaining years of our lives.

I am sending you a small gift to mark our deep sense of appreciation of the service you have rendered us and ask you to accept it as a token of remembrance and goodwill of two old folk and the members of their family all of whom you have met.

I am also enclosing a cheque as I have heard that your older friends are making you a freewill gift and although it is only 20 months since I came to know you I have great pleasure in doing the same, as I appreciate very greatly what you have done and are doing for me and mine.

In conclusion, we all pray that God will bless you and your family and that your children will follow in the footsteps of so worthy and upright a father. God bless you.

Yours very sincerely,
(Sd.) V. O. UNGER.

Telegrams : " DENTISTA "
DR. CARLOS F. DA COSTA, D.D.S. (Port),
Dental Surgeon.

Telephone No. 150.
" PARADE VIEW "
34, SOUTH PARADE,
BANGALORE.
Dated 24th September 1944.

MY DEAR MR. GOPALA RAO,

With further reference to my previous letter, I find that your other friends have responded immediately and as you know I am your friend nearest and dearest to your heart. I am afraid that you may misunderstand me and therefore I hasten to let you know my feelings towards you.

My idea of giving you Rs. 40,000 on 1st January was only on account of my commitments and plans which could not be easily changed in the middle of the year. I am sure that this will not be mistaken for want of feeling towards you. Let me assure you that I am no less grateful to you than any of your friends and as a demonstration of this I am enclosing herein a cheque for Rs. 40,000 which please accept and keep it for your family ; remember it is coming with all the gratitude and blessings not only from myself but also from my wife and children.

Yours very sincerely,
(Sd.) C. F. DA COSTA.

DAVID STEPHENS.

IMPERIAL BANK OF INDIA,
BANGALORE.
24th September 1944.

MY DEAR MR. GOPALA RAO,

As your good friends have risen in unison to present you with a casket and their great contribution, I feel it a real chance to show my gratitude and request to approach you with a "widow's might" and enclose a cheque for Rs. 4,000 (Rupees four thousand only).

I know it full well, that it is nothing, when compared with your services to me, in many ways, but I do hope you know me well, that it comes spontaneously from a good old friend of yours with all sincerity and good wishes.

I feel it a duty before God to show my gratitude with my humble might and feel indeed happy in enclosing the cheque.

May God bless you and yours richly affording you, health, success, happiness and joy.

I am,
Very affectionately yours,
(Sd.) D. STEPHENS.

4th October 1944.

My Dear Dr. D'Costa,

According to conversations we had to-day, herein I enclose 2 Cheques to be presented to Mr. Gopala Rao.

It is indeed kind of him to be very generous and help us through your assistance and my brother and myself thank you and Mr. Gopala Rao sincerely.

It has never been our privilege to see him in our house, in spite of his helping us. Please do bring him some time to our place, meantime wishing him best of health and prosperity.

I hope if there be a little difference on our part, you will be good enough to present our case with sincere thanks to Mr. Gopala Rao.

With best wishes from my brother and self for all that you are doing for us.

Yours very sincerely,
(Sd.) A. C. RODRIGUES.

SARDARMAL BABHOOTHMAL & Co.,
Bankers.

24, Balepet,
Bangalore City,
16th October 1944.

My Beloved Mr. B. N. Gopala Rao,

Today is a great day " Deepavali " for us and we wish to express to you the deep sense of gratitude and appreciation for the valuable services you have rendered to us all these years. We are Bankers by birth and heredity and are doing Banking business for many years. Till we came into contact with you in 1934 our business was by no means pleasant but was, on the other hand, a source of anxiety, risks and disappointments. But after 1934 you brought us out of darkness and made us realize that business is, in fact, a kind of social service, work of art, a sacred thing, which pays in proportion to our character and fellow feeling and has not much to do with the ability of the head. We are one of the very many businessmen, who admire you for your extraordinary business capacity as well as your exemplary character. All businessmen coming into contact with you have been immeasurably benefited by you and you have revealed to us a new aspect of the business, nobler and loftier and entirely original so that our lives have been blessed by our association with you.

In adoration and admiration of the great qualities of head and heart, we present to you herewith two gold necklaces set with precious stones and rubies as our small token of our esteem and gratitude for so much that you have done to us and for the benefits we have derived from our contact with you. You have increased our earning capacity and made our future full of hope and joy.

May God Bless You and Your Family with all the graces in ever increasing measures is the prayer of

Sardarmal Babhoothmal & Co.,
(Sd.) ....
16-10-44,

Vasoo da Gama, Goa,
20th October 1944.

My Dear Friend Mr. Gopala Rao,

I have just heard about Mr. C. V. Rebello's circular demanding 10 per cent of the profits to be given back to you our generous benefactor for the great service you have done to us and for so much happiness I and my family are enjoying since you came into contact with us.

The day I and my wife saw your face was a great and momentous day for us. Ever since that time we have been happy and enjoying life, blessing you every day. We pray God, who got us to know you, to give you, your wife and children a long life and plenty of happiness for your generosity and broadmindedness.

We are unable to express by words our appreciation of your noble character, but yet we feel it will be a great sin if we leave this world failing this most important duty. Therefore I have sent to you a cheque for Rs. 5,000 representing my contribution for the great help and services you rendered to my family in the past. Even my children in their fulness of heart are praying to God that your children should remain in perfect health and your whole family should enjoy an ever increasing prosperity year after year. You have been in fact, an instrument of God to help the man in these hard days especially the poors.

Mind, dear Gopala Rao that even being far from any business contact, our admiration and friendship for you will remain the same for ever.

Yours most affectionately,
(Sd.) VALERIANO REBELO.
Dr. V. REBELO.

N.B.—Cheque for Rs. 5,000 sent in separate registered letter.
Id/- V.R.

REGISTERED.

18, Jeremiah Road,
Vepery, Madras,
6th November 1944.

My Dear Carlos,

Thank you for crediting the usual amount to my account. I have got six tins of Sanatogen for you at Rs. 8-12-0 per tin.

Frank came over yesterday and promised to come for the tins when his friend returns to Bangalore; he looks well and is quite happy.

As I have heard that others have given Mr. Gopala Rao presents in cheques, I have great pleasure in enclosing one for him as a token of gratitude and appreciation for all that he has done for me. Please hand over the cheque to Mr. Gopala Rao and tell him that I shall never forget his sympathy and kindness: it was he who saved me from a great catastrophe. We have had moderate amount of rain a week ago and it is now a bit cooler. Congratulations to George for heading the Class in the last Class Examination. Hope he will top the list in the University Examination also.

Our rice ration has been cut to 7/8 and we are given 1/8 wheat; the latter is cheaper than the former and is a great change.

Trust you are all in the best of health. With our united love. Kisses to all at home.

Yours affectionately,
(Sd.) JACK.

117, SECTION,
SPECIAL INVESTIGATION BRANCH,
A.B.P.O. 13.

13/Dec./44.

DEAR GOPAL RAO,

This is not a letter giving added testimony to your talents. It is a letter to say I appreciate your welcome and hospitality of yesterday. If you mention to me that you are appreciative of my visit to your house, then I in turn can say I appreciate your invitation, cordiality and interesting nature.

It is a saying from my home that a man can be educated at an early age, he can become a brilliant scholar, an academic; but a man is not a man of this world until he is both a scholar and a man of wordly experience. You have undoubtedly gained both in your career and the experience of this world both hard and easy ways of life, have given you a grip upon your learnings.

I can see that you are proud of your achievements and are content even now to live a simple life. That is the choosing of your conscience and your belief that it is right for you to uphold your fame way of living is your own private affair and not the affair of other persons. I am also an individual with certain idiosyncrasies, one of them being my delight in meeting new and interesting people. I love a friendly argument and an absorbing discussion that which you have shown to me, explained to me is convincing enough to compel me to say that you really amaze me.

Perhaps in the near future we shall meet in similar circumstances and I feel sure I shall be delighted so to do. If you have gathered my nature, perhaps you have noticed that individualism, I am a person on my own willing to learn all I can, meet those that interest me and plan a life that will keep me absorbed and happy.

Many thanks for the pleasure.

Yours sincerely,
(Sd.) JOHN L. SIMS KIRBY,
Capt.

21st December 1944.

DEAR MR. GOPALA RAO,

At the end of about two years' dealing with you, I look back upon those years as an amazing disclosure to me, that in this world of jealousy, backbiting and distrust, I could find a man who is honest to the core and who has made his pious mission in life to be of ungrudging usefulness to his fellow beings.

I had no patrimony to begin life with except my profession and as you are aware it is fraught with competition so that although I had made a success of my profession I could never say that my future was assured. My children were all growing and their higher education and even marriage had to be provided for. At this time, therefore in the hour of my greatest need, you came to me like an Angel of help. Although you did not know me, you felt that you ought to help me and your help, your kindness and thoughtfulness are beyond words. You have not only taken a great load off my shoulders but you have made me a happy and contented man. May God bless you and your family for the boundless good you are doing to me and to many others.

I remain,
Yours gratefully,
(Sd.) J. L. D'SILVA.

P.S.—

In token of my gratitude I have sent you my small contribution of Rs. 5,000. I hope you will kindly receive it from an ever grateful friend.

(Sd.) J. L. D'SILVA.

Dr, F. H. NARONHA.

99, Brigade Road,
Bangalore.
28th February 1945.

My Dear Gopala Rao,

For some time past I was deeply thinking as to the best manner of expressing my most sincere and heartfelt thanks to you for the great and steady service you are rendering. Mr. Rebello's circular was most welcome to me and when I read it, my heart was full. How noble of Mr. Rebello to have given his friends the chance of expressing their gratitude to you and thus evoking God's blessings upon them. I too love to rush to join them in this offering.

Blessed is the day I knew you. For from that day things began to be different for me. You soon led me from want to plenty, from poverty to riches. Before I had realised it, I was a favoured child of fortune. To know you is to strike a gold mine.

My present possessions are your gifts. I did not earn them. I had them given me. They are mine by your kindness.

For years you have been picking friends and making them princes of Fortune. They number scores. I am one of those lucky beggars. God bless you.

As far as my memory can stretch, I cannot recollect another in my family, who was as rich as myself. Perhaps I am richer than the richest of them.

For no merit or effort of mine, I am now heir to a big Fortune. I am to-day rich because you were resolved I should be that. I ceased to be poor, by your effort.

To claim my big luck to the fruit of any business is a shameless untruth. It is a vain hoax. I scorn it as a sinful boast. To call your gifts, Business gains, is to disown you and your generosity. Such talk is monstrous vanity. Let me tell you Mr. Gopala Rao, that very many of my friends have been benefited by you through me. I feel never tired of telling them that you are the benefactor and you are the maker of the profits and that I am only a distributor and that all the credit must go to you and to you alone.

I should shun to hunger for the vanity of looking an earner when I have been only a "Receiver". I should loath to be an imposter. I consider it a sin to semble the host when I am only a guest. How can I be the feeder, when I am the fed. I cannot imagine.

Our whole effort and merit was that I and my friends trusted you with funds. Is trusting you so, doing business? I should be mad to claim it so. Let me sober and not elevate my inaction into the dignity of action.

He, who has been really an earner, knows what it is to earn. Business is a hard struggle and a dangerous stake. I for one cannot even imagine any business that can yield profits like anything approaching the huge sums of money, you have given me and your friends. That business, if a business, is your secret. Nevertheless, for the sake of argument, even if such a business could be planned and conducted by any of my friends--frankly speaking, such a business is beyond me—I cannot imagine any of them could give away as you have given. It is this unapproached and unapproachable generosity of yours that marks you out as a distinct type by yourself. Your ability and charity are alike your own.

With some of us, your gifts literally, total to the confounding sum of a first prize in a Derby Sweep. Your generosity staggers imagination. How you could be this colossal giver and yet a businessman at the same time. I have a shrewd suspicion that you are only an angel, masquerading as a businessman.

Feeding on the husk, you have given us the kernel retaining pies, you have given rupees; living in a hut, you have built us mansions. You hug and in poverty but are continually chasing poverty of others lives. Through service to others, you are seeking the fulfilment of your own life. That is what some of us fail to see. We have got to follow you in this. You are demonstrating how we have got to live our lives; Whither lies the way to heaven. If we have missed to imbibe this spiritual lesson from our contact with you, we have indeed, missed the way to save ourselves.

Daily to think of your service to humanity and to try to emulate you this, to me, the best mode of prayers. Your way of life is truly my Church and my God.

Who knows that all your prosperity may not be the result of sincere, heartfelt prayers that hosts of families are sending out to heaven every day at meal time? " More things are wrought by prayer than the world dreams of ".

Full of defaults myself, the great merciful God has spared me from base ingratitude. Proud as I am, I am not so proud as not to acknowledge the deep debt of gratitude I owe you for all that you have done to me. Therefore with the greatest pleasure, I hand you here with my cheque for Rupees ten thousand. This is blessed money that blesseth the giver as well as the receiver. May this little money stay and multiply and my and your family prosper and live to be an example to others.

Yours sincerely,
(Sd.) F. H. NORONHA.

To

B. N. GOPALA RAO, Esq.,
2100, Link Road, Malleswaram.

M. N. LAKSHMANA RAO, B.A., B.E.,
Executive Engineer,
Mysore P.W.D.

MANDYA,
13th April 1945.

MY DEAR GOPALA RAO,

May I offer you my hearty greetings on this New Year's Day, and my best wishes for many happy returns of the same to you and all the members of your family.

It is said that the 1st day of the year is the fittest time to remember the good turns received; and I wish to commemorate the enormous good received by me from you, in the shape of monetary benefit, pleasant company, and genuine friendship, by a small New Year's present, as a token of my feelings of gratefulness, admiration and regard towards you. I request you will do me the honour to accept the enclosed cheque for Rs. 1,000 which I am sure you will weigh, not by its face value which is trifling compared with your usual transactions, but by the fulness of heart and sincerity behind it.

Trusting this finds you quite well.

Yours sincerely,
(Sd.) M. N. LAKSHMANA RAO.

M. VIRARAJA URS, B.A., B.L.,
Financial Secretary to
Government.

15, Kankanhalli Road,
Basavangudi,
Bangalore, 16th May 1945.

Dear Mr. Gopala Rao,

It gives me great pleasure to write this letter to you to express on behalf of my relatives and myself our gratitude to you for the benefit we have derived from you. As trustee of the properties of my brother's children and some other relatives of mine certain funds came into my possession a couple of years ago. I was then exercising my mind as to how best to invest these moneys entrusted to me. I casually mentioned this to a friend of mine, who suggested their investment with Mr. Dominick, whom he understood to be your business partner. It was stated that the moneys would be quite safe and returned whenever wanted. I accepted his suggestion and invested these trust funds with him. The investment yielded good profits. Though I did not come in direct contact with you, then, your name was mentioned more than once by Mr. Dominick.

Owing to certain happenings in last March I came in direct contact with you. It is now more than one year since our business connection began and during this period the investment has yielded considerable profits. I have often wondered as to how you have secured us such high profits.

I firmly believe that your success in business is partly due to your having realised the truth of the saying that "Honesty is the best Policy" even in business. Apart from your rare business talents another factor which in my opinion has contributed to your brilliant success as a businessman is your generosity towards your clientele in liberally sharing your profits with them which in my experience I have found to be a very rare commodity amongst businessmen.

I have no doubt that for your qualities of head and heart, Providence has smiled on you and made you a powerful personality in the financial world. I am sure by God's Grace you will achieve still greater success and be an instrument for helping all good and deserving causes.

As an humble token of our gratitude to you for the benefits we have so far received from you I enclose herewith a cheque for Rs. 15,000 which I request you to kindly accept.

"May God bless you and shower his choicest blessings on you and the members of your family" is the prayer of

Your sincere friend,
(Sd.) M. VIRARAJA URS.

A CALL TO REDEEM OURSELVES.

My Dear Friends and Countrymen,

Kindly recollect what life was 8 years ago to each one of you, before you had known, through me, Mr. B. N. Gopala Rao, the Wonder-Worker! By his colossal service and sacrifice, we have now no want we cannot satisfy, no wish that we cannot fulfil. If it is so, for us now, and it will be so for our children and our children's children. Our gains from him have been so enormous.

Eight years ago, through our friend, I opened the gate to fortune to you all. To-day, I approach you again to advise you as to how the fortune you have thus earned, can for all time, remain yours, your children's and their children's; how, in fact, it could be blessed money that should stay and multiply; money that should bless him that gives and him that takes.

To me Gopala Rao is human only in form, but a God in action. Like a God, he exults in givings and the way to please Gopala Rao is to make an humble grateful offering to him, as we do to God to win His Grace. The halo of this offering to him is to be the Force that should protect our fortunes, which are his gifts to us. Like a God he gives and like a God, he is heartened and sustained by gifts. He is the Beggar that yields a whole bread to us, only to have the joy of feeding on a slice offered by us. Gifts from grateful hearts are his Treasure and his joy. Offerings of gratitude form his very breath and his children's.

Let us then lay our humble offering at the feet of Mr. Gopala Rao and thus ensure our fortune against its vicissitudes.

I think to give anything less than a tenth of what we have received at his hands is giving nothing but keeping him starving. To give at least so much is but to invoke the Grace of God Himself to bless our Wealth.

The God that helped you by a banquet, is humbly and dumbly waiting, if you would remember Him and throw a crumb which is all his Banquet. He is a wonderful host that waits and is waiting to feed on whatever that remains after a banquet. You are all feasting; don't forget the host, for whom a crumb is his food.

Remember, gentlemen, we are giving to our giver out of the very money he has given. Let us then give freely, fully and joyously and in the same spirit, we have received, though not, in the same proportion.

Below, I have noted what I am offering. Please note your.

Yours sincerely,

I say we shall be richer and happier for all this giving, that is the answer of this giving; that is the meaning of our wonderman receiving it. In suggesting this giving, mind you, I am only suggesting an investment. He that has eyes, sees, he that has sense, knows. " Let us render unto Call ".

IDEA

By God's grace, I helped different people to different extents. Among those whom I helped, there was also a very poor man in very difficult circumstances. Unlike other friends, he had no starting capital to invest with me and become rich. He realised that his position was most handicapping. He had neither the capital nor any future hope that he would become a man of anything. I found this friend in terrible want and took a solemn resolution to make him a big bag. By infinite strength that God had given me and by virtue of myself putting lot of friendly love and confidence in him, the man very soon became a master of lakhs. Originally the friend had neither hopes nor merit for any bigness. Only by virtue of my love for him and by the grace of Almighty, the success attended upon him.

As soon as this friend got money, more than what he dreampt or expected or could spend, his thoughts ran upon name and fame. He tried then for fame. With so much money and strength that I have now he said to himself, can I not become greater than the man, who has given me money in a spirit of simplicity and foolishness. By prompt service to my own friends for several years, collecting all this money of course from my friend, I have inspired in them love and adoration for me. They are under the impression that I have sweated and laboured and that I am most liberal and charitable. I must see that this impression must continue. Under no circumstances, I should lose their regard. Thus thinking, my little friend, went on taking more and more money from me and distributing it to his friends. He little thought what a big strain it was for his saviour to help him to get a name. He forgot the saviour and began to think more and more of those people who flattered him, (for love of money he gave) that he was a God. However much I could do to my friend, I am after all human being with certain limitations. I am not a God. In his mad pursuit for name and fame, he forgot this fundamental fact that I am a human being with limitations. Under this circumstance, any request to my friend to transfer his friends' liability to me direct was revolting. He would give his life but that.

SUN LIFE ASSURANCE COMPANY OF CANADA.

(Incorporated in Canada in 1865 as a Limited Company.)

Head Office :—*Montreal, Canada.*
Branch Office :—*National Bank Building, First Line Beach, Madras.*

No. 2, Rhenius Street, Richmond Town,
Bangalore Cantt.
2nd April 1946.

Dear Mr. Gopala Rao,

All that I read and saw last evening has somewhat unbalanced and bewildered me, for I have truly met a man, who has completely and entirely overcome the sin of selfishness.

You have found the blessedness to realise, that to give is to get happiness. I could see the joy of your giving expressed in your face. Money seems to have no attraction for you, but the pleasure and joy of giving it away, is the virtue you seem to delight in most.

I have given Rs. 5,000 in your care and keeping and will try to get together another Rs. 5,000 which to me is really a large some of money. I have been a guard on the Railway all my life and retired with about Rs. 23,000. Half of this money has gone, and it's only four years ago I retired. I must therefore be most careful of the little left, and what greater wisdom can I show than by putting it into your care.

You have impressed me much by your charitable and good work, and surely the God of Love and Prosperity is blessing you exceedingly. May HE in HIS goodness permit me to share in some small measure your prosperity—prosperity which no other man gives in such abundance and love as you give.

It is a great pleasure to meet a person of your outstanding goodness, and I hope I shall have the pleasure of seeing you more often in the future. Please keep this letter in your confidence.

Yours sincerely,
(Sd.) C. H. GILBERT.

No. 2, Rhenius Street,
Richmond Town, Bangalore.
April 5, 1946.

My Dear Mr. Gopala Rao,

I have read through twice, nay three times the Review of My Business for 15 years, and I stand bewildered at the extent of your goodness and charity ; and the great mighty unselfishness that moves you to do these things.

Surely people have wondered and wondered as to how you have done these great things, and not understanding have tried to turn your goodness into evil. Bless them that persecute you is the Christ spirit. If there be any, (and you fear there are many) who have turned your good works into their own selfish praise and honour if there be any, leave them to their own conscience. Deeds and works will tell not empty words.

So take courage dear friend, go ahead steadfastly serving God through man, expecting no gratitude from man, whose heart is full of cunning and decepit. God will surely direct your paths and lead you on to do acts of goodness and righteousness, which may not be seen by man, but acknowledged and appreciated by God.

Your purpose in life to serve man through financial aid is one of the hardest of life's temptation—for are we not taught THE LOVE OF MONEY IS THE ROOT OF ALL EVIL, but you have no love for money, but give it away according to your prosperity.

Cheer up friend—God knows the innermost thoughts of all men—surely HE will say to you some day—Enter thou into the kingdom of Heaven, which is prepared for those who love ME, and have done things for the love of ME. Comfort yourself and take assurance that though man may forget you—God never will. There are many blessing you this day.

Yours sincerely,
(Sd.) C. H. GILBERT.

P. S.—

I will personally hand over to you some day your Review.

23, Moyen Villa Road,
Bangalore,
19th October 1946.

Dear Mr. Gopala Rao,

We have gathered here today, your esteemed and grateful friends, to wish you and family, a very happy and joyful DEEPAVALI. You have done much for us and in appreciation of all the help, comfort and pleasure we are enjoying through you we ask you to accept on behalf of yourself and your family this small casket and its contents as an expression of deep and grateful thanks. Our dealings with you have convinced us of the selflessness of your purpose which is that of helping the poor specially those that are dependent on their small life savings so that they may live in comfort in the Autumn of their days. You are constantly in that thought and we pray God that you and your dear family will have long life and enjoy the fruits of your noble self-imposed endeavours for the uplift of the poor.

We take this occasion to congratulate you on the High Honour conferred on you by His Highness the Maharaja of Mysore in recognition of your great philanthropy

We remain,
Your dear and grateful friends,
(Sd.) B. V. HALDEN, S. DOEG,
A. T. GANNON.

8th January 1945.

DEAR MR. KIRBY,

A great man has said that this world is a mirror, in which each of us sees his own reflection; this is fully true of your letter of 13th ultimo. The kind sentiments and thoughts in it but reflect the rich grace of your nature. I value your friendship as the luckiest gift that this new year has brought me.

I am sorry that I am late in acknowledging the receipt of your kind letter. The fact was that lost in reading and re-reading it, I forgot my obligation to you to reply it. I am afraid that you will always find me very clumsy at conforming to conventions. Pray, kindly put up with this shortcoming and be kind.

I am also struck at your attitude towards men and things. It seems to be very remarkable, particularly when I know that, professionally, you are in eternal grips with the under world. Though ceaselessly absorbed in a fight against the devil, you have preserved, unsullied, the angel in you.

Yes, my friend, my experiences have been varied and many. I dare say that you little suspect what great treasure I have snatched away from this festival of life. That treasure is not the money I have gathered; the money that Great Merciful God filled my poor hands; it is not the sight of the daily growing pile of my money; it is just the opposite of it; it is in the giving away of this money to others and seeing in its place dozens of happy families, I have discovered and experienced greater joy of my life. My find has been accidental and rare. I daily feel that this thrills me more and more, again and again. Did you spot this my good detective? But, no man's life is complete, I consider, till the money thus honestly earned is nobly disposed of, though it has to be conceded that money making is of course, an essential part of the important programme of life. I see God's kindness not in lakhs of Rupees that HE has given but in HIS infinite kindness to help me realise this goal.

B. N. GOPALA RAO.

2100, LINK ROAD, MALLESWARAM P.O.
Bangalore, Dated 3rd September 1944.

MY DEAR DR. DA COSTA,

To my early friends in business, I owe a great deal. I count you amongst them.

It is they who steadied me on my legs ; it is they who helped me strike hard ground. To them goes the glory of having sown the seeds of my present strength. It is they who gave life and lustre to my talent.

I am happy to own that, my friendship with you has been without a regret and my business with you without a blemish. You have been a correct business friend.

At a time when others would have hesitated, you of my early friends trusted me. That trustfulness proved my luck. Can I ever forget that rare grace ? I can never repay that trust.

I am to-day in a reflective mood. My thoughts have been running over the multitude of persons who have been by business friends. I am attempting to draw a Moral Balance Sheet in each case.

My thoughts are presently focussed on you. Unlike many others, you were not a pauper but had a good purse and a talent to employ it. You did not need an investor for your money in the same degree that others did. But yet you gave me a chance and took the risk. Viewed in this light, you owe less to me than others owe to me and I owe more to you than I owe to others. Whether you could have done as well by yourself as you have with my help, I cannot make bold to guess. But as a possibility I concede it and on this score, I pass a big credit to your account while striking your moral balance sheet in my books. Consequently, the balance tilts in your favour and I am your debtor ; and to my credit, let it be said that I have no vanity to think that I have served you and expect therefore, no presents from you.

This realisation sets me thinking. To me, my business is a species of Social Service. I want to share the fruit of my talent and labour with him that needs them ; to do business with one that has the talent to earn is, in my view, carrying coal to New Castle. My talent is God Given and thus, a Sacred Trust. I should not lavish it on one that can well do without it. Morally speaking, I consider it an abuse of God's Trust.

I have nearly run through the span of my life and before the Call from the Maker comes to me, I should have the satisfaction of having served as many as I possibly could. I have sought to serve God by thus serving my fellowmen.

In the name of that Sacred Service, may I request you to release my talent from all obligation to serve you so that I may thereby be enabled to serve Him by serving the less talented.

With grateful regards,
Yours sincerely,
(Sd) B. N. GOPALA RAO.

DR. CARLOS DA COSTA, F.D.D.S.,
Dental Surgeon, South Parade,
Bangalore.

B. N. GOPALA RAO.
2100, LINK ROAD, MALLESWARAM P. O.
Bangalore, dated 30th June 1946.

The Secretary to
The Minister for Education in
Mysore, Bangalore.

SIR,

Re : *Donation of Rs. 60,000 promised by me.*

I beg to affirm formally the offer I made the other day to the Minister that I am willing and ready to donate the sum of Rs. 60,000 to be funded, perhaps, into an Endowment so that from out of its proceeds, a select number of students desirous of taking up post-graduate technical courses may be helped with free board and lodging.

The moving force behind this offer is my anxious thought for the poor. In this fast developing world, struggle for existence is becoming increasingly hard and every walk of life now calls for more and more specialized talent and technique. The day of the uninstructed and the untechnical has ended and the day of the specialists has dawned.

But specialised instruction has become so costly that only men of means can afford it. I know that too many 'mute inglorious Miltons' have their genius chilled and frozen by penury. This is a loss to our State, greater than the loss of unexploited natural resources like Gold Mines and Water Falls. Talents are real wealth of the State, greater wealth than money and goods. To discover and nourish these flowers of promise, to pick and polish these gems of talent is to enrich our country's wealth and is, indeed, one of our first tasks. To this end, everybody has a contribution to make.

To this end, have I humbly made my humble contribution. The task is gigantic. It is vast and varied. As I reflect upon its vastness, a depressing humility grows upon me and I know my offer is but a drop in the ocean. I impotently rebel against my own inability to give more.

Born poor, I know the devastating effects of poverty. I have drunk of that cup to the very dregs. I and poverty grew up together like twin-brothers. I have fought want with my back to the wall for a full generation. It has now pleased God to life me out from want.

Now, in my better days, I cannot forget my other brothers. My thoughts constantly revolve round them. I have tried in my humble way to make their lives less miserable. God granting it, I should like to give more, yet more and more, to alleviate their suffering.

Please accept this humble offer of mine and I leave it to you how you plan to use it. I shall be satisfied if my intention, defined above, is carried into effect. Only, the help rendered should be made perpetual and in equal proportion as between the Brahmins and Non-Brahmin students.

In all humility and loyalty,
I am,
Yours most faithfully,
(Id.) B. N. G.

Dharmaratnakara B. N. GOPALA RAO.

LINK ROAD, MALLESWARAM,
Bangalore, 10th September 1946.

To
The Secretary,
Mysore Government State Life
Insurance Department,
Bangalore.

DEAR SIR,

I should like to place before you the following proposition which, I am sure, will interest you.

It should interest you on two counts. The one is, it promises to fetch you a steady flow of new business and the other is it opens a fresh avenue for investment of your insurance funds.

I earnestly commend it to you for your full and close consideration. Briefly, the proposition is as follows :—

I shall form a joint stock company to be named THE MODERN HOUSE BUILDING CORPORATION, LTD., primarily devoted to building houses for the middle and poorer classes of people. It will start building houses firstly in Bangalore and Mysore, other big towns in the State coming later.

2. Direction of its affairs will be in charge of an able and influential Directorate, which has on it among others, Engineers of note and standing.

3. Its management will vest in a managing agency consisting of myself and my several Engineer friends who have to their credit a long successful building career.

4. It will be registered for an authorised capital of Rupees Ten Lakhs, of which only Rupees Five Lakhs will be issued to the public for subscription in the first instance. More than half of the proposed issue has been already promised by my friends.

5. Here, in Bangalore, houses are required by hundreds and by all classes of people. Indeed the need now is so great that it may well keep every builder busy for another half a generation. Bangalore and in a lesser degree other towns too in the State are passing through an extraordinary period of high rents and crowded living. The demand is daily mounting and to meet it successfully and systematically there has got to be an organised agency of means and ability so that speed and excellence of execution and economy in cost are assured.

6. People aspiring to own houses number by legions, but those that have the means to pay for them are few and far between. The main purpose of the Company is not to build for the man who has ready money but for the man who has not it. It is to suit his need that the following system of repayment has been evolved.

The company builds a house for a customer and puts him in possession of it, as Tenant (*a*) after the customer has taken out a Life Insurance Policy on himself for the agreed period and amount assigning the policy to the Corporation. The premium is payable by the customer in suitable instalments. After the policy matures by death or survival the customer or his heirs become absolute owners of the property on settlements of accounts with the Corporation.

The policy shall not be allowed to lapse, as in case the customer should fail, the Company guarantees to pay the premium. The customer assigns the policy to the Company.

The ownership in the house shall pass to him only after he has fully paid his dues to the Company. Until then the Company retains its ownership.

The premium he will have to pay will be a little over the rent he would have paid for the house as its tenant. Only it is not all gone as rent, but it accumulates as his capital. He has to wait to become the owner of the building.

However the Company does not propose to have its capital locked up during this whole period of waiting. It proposes to have the bulk of its funds released in the following manner :—

(i) Immediately a house is ready for occupation, it applies for a loan to you offering the house as the security for the loan on terms and conditions to be agreed upon by negotiation on a permanent basis.

(ii) The loan will be repaid ordinarily not earlier than six months and not later than ten years from the date of the loan.

(iii) The policy assigned to the Company by the customer will be re-assigned to your insurance department as extra cover. This assignment and re-assignment cover your and the Company's interests fully, when the policy has matured for payment.

Thus you run no risk, and our risks are minimised. We ordinarily build a house after we have secured a customer and build it to his liking and according to his means. Having a big building programme, our cost of materials and the overhead per unit will be low.

The above is broadly what I have intended to do. The success of this undertaking hinges on your kind co-operation. Our main idea is to obtain financial backing from you and to make tenants of the houses their owners through the benefits of insurance.

I most thankfully receive any kind suggestions you might like to make in the matter. I am willing to effect any necessary alteration or modification in the details to conform to your rules governing investment of your insurance funds.

I shall be obliged if you will kindly make it convenient to give me an appointment to meet you to have a business talk about my proposition. I and my friends interested in it very much like to meet you to explain the scheme in person.

Thanking you,
I am,
Yours faithfully,
(Sd.) B. N. GOPALA RAO.

BANGALORE,
3rd October 19 .

MY DEAR DR. DA COSTA,

When a friend's rank selfishness had darkened my horizon, you stretched your helping hand with a readiness and grace, that is green in my memory and fresh in my gratitude.

We appear to have formed our friendship in an hour of blessedness. It humbles me and warms my heart towards you to reflect on the immense gain in purse and in feeling that this friendship has yielded to me and to you. Isn't it an exquisite joy to realise that you and I have risen together to a height that remains always a dream to many.

I have prospered and the degree of my success has sometimes overwhelmed me. I have now more money than I am able profitably to invest. Can there be a more joyous news to my friends particularly to you, than that the man whom you have been pulling up, has been pulled sufficiently and stabilised at a height that needs no more pulling ! I think I cannot make my friends experience this joy better than by actually demonstrating to them this fact.

I have therefore proposed to signalise this feeling by starting to return with warm gratitudes part of your money now with me.

Enclosed I hand you my cheque for Rs. 50,000 (Rupees fifty thousand only) to be followed by another of the like amount shortly. Please receive it, my friend as a joyous demonstration of my prosperity on the one hand, and as a measure of unsullied business integrity between you and me on the other.

With warm feelings of gratitude.

I am,
Yours sincerely,
(Sd.) B. N. G. RAO.

AN APPEAL IN THE NAME OF GOD.

The grains of sand of my hour—glass have nearly run out, and I may be called to my Master any time. Alas ! with a long wish unfulfilled, I have no good account of myself to give Him. I shudder at the thought.

Born poor, my thoughts have always been for the poor. But, denied the means to serve them, I am feeling helpless against my own impotence. All these years, I hoped to earn and save and serve them. For half a generation, I strove but I find, I am no nearer,my aim than when I started. One is happy and rich not to the extent of money earned but to the extent the object of life is fulfilled.

Thus baffled, I have now decided to go round with my subscription hat in the name of the ill-fed, the ill-clad, the ill-cared and the ill-educated.

So, subscribe your most, friends, and let us do our little mite in righting the wrongs of the world. In a happier world, we can be happier.

(Sd.) B. N. GOPALA RAO,

C. F. Da Costa	....	Rs. 4,000 paid.
J. B. Dominick	...	Rs. 3,000 paid.
Anonymous	....	Rs. 500 paid.

B. N. GOPALA RAO.

2100, Link Road, Malleswaram,
Bangalore, dated 1st April 1945.

My Dear Mr. Kirby,

I must first congratulate you on your promotion to the rank of a Major. I do not know what it means ; I hope there is in it something more substantial than sound.

You have mastered the art of getting on. Nothing else is possible for such folk as you. Success for you is only a question of time ; it comes to you as naturally and quietly as leaves come to a tree.

You have taken both a high and a long jump ; up ; to a higher rank of a major and Off, to Rawalpindi.

It would have been something for me, if you had remained here for some more days. The few days, you cared to come to me were rather pleasant days in my dull calendar. I don't know what those visits meant you ; but, I, for my part, enjoyed them.

It is a happy thought that you intend to send a picture of your noble self, unbearable only to you only to torment me in the absence of the real Mr. Kirby.

Regarding yourself remembering me, as I promised, I have a small casket ready. Could you just guess what it is like ? It looks like Galileo's Telescope. I expect you will be able to see me from distant England and if possible, to undersand me better.

Thank God, you did not ask for my photo ; it is a relief to both of us.

Regarding my circular to forgetful and erring friends, the review has proved to be a marvellous specific for paralysis of hands and I am anxious to obtain patent for it. I have got my tenth from the most unexpected lot. It is a real triumph. The remedy seems to be superior to the Doctor, which I little expected.

I am eagerly looking forward to meeting you very soon. When shall I have this pleasure ?

Wishing you the best of life in this New Year.

I am, yours sincerely,

Captain John Leonard Sims Kirby,
D. A. P. M.,
117, Section,
S. I. B.
A. B. P. O. 13.

Our dear old friend and Philosopher Mr. C. V. Rebello suddenly entered Eternal Rest. I am in great grief.

While only a child, I lost my father. I then, did not know what it was to lose a father. I know it now.

By nature, quiet, and retiring a quieter man than my friend, I do not know, a warmer friend I cannot name.

He lived his life without show and his religion without fuss. He loved all men and respected all Faiths, always preferring substance to shell, practice to preaching and service to talk. He prayed and served in secret.

Un-noticed, he set many a man on his career and helped many a friend to fortune. Of them, I am one. Let me now tell you this secret rather boldly, for, my friend never allowed me in his life time to say it.

When one day I was about to fall a victim to the cunning scheme of an exploiter, my dear Rebello rushed to my aid with all his heart and with all his purse. I survived. Else, but for his kindness, I should not have dreamed of ever being able to serve him and his friends, as I now have. When I stood at the parting of ways, in doubt and in fear, he gave me courage and he gave me money. His friendship proved my great acquisition. Through it I have helped myself and my friends ; but it is not for me to speak how and to what degree. Each friend knows in his heart, the extent of it.

I repaid twentyfold, I dare say, the capital I got from him : because it was definite and measurable. But, I feel that whatever I might have already given or done, cannot adequately repay that kindness of him that paved the way for my and my friends' big luck. On that score, they and I are ever to be indebted to him.

His death has denied me the joy of serving him any more. This thought is tormenting me. With an unreturnable kindness to my debit, I must do something to quiet my own mind. I cannot rest till I have done something ; something that will perpetuate his good name, something that keeps his memory green, so that my dear friend lives back and lives till memory lasts, in men's hearts.

I suggest that friends who feel my way, may join me in raising funds in the name of Mr. C. V. Rebello to be used in creating an Endowment in his name to help all charitable causes that were dear to him, while he lived.

I invite them in the name of him, to whom I and they are, for all time, indebted, freely and fully to subscribe to this projected fund. After collection. a Committee of Action will be constituted to determine on the best manner of disposal of this Fund.

Any time the call from the Maker may come ; we shall all stand firm and ready for the journey to the other world ; we shall, therefore, hasten to exchange our wordly goods—coins and notes for heavenly goods—virtues—which are the only coins current in the other world, so that we may easily carry this treasure along with our soul and place them before the feet of God and render a good account of ourselves. Let us stand before Him as rich in virtues as we are here in money.

(Sd.) B. N. GOPALA RAO,
The friend of Mr. C. V. Rebello,
In sorrow and debt.

RAMABHAVAN,
25, OSMAN ROAD, T. R. NAGAR,
4th February 1943.

Strictly Personal.

MY DEAR GOPALA RAO,

Your letter of 3rd. I saw this at 6 P.M. on my arrival at home but to-day from the office I had already sent you a detailed letter and a remittance of Rs. 75,000. I suggested to my friend a shorter investment but he preferred six months.

In veiw of what you write now, you may, if you like, take the deposit for three months at 2 per cent per mensem and send cheques for principal and interest accordingly and explain in your covering letter that at the expiry of three months you will let my friend know whether you wish to retain the deposit and if so on what rate. You may tell him about your War Contract, etc. Don't make the period less than three months to start with. You may send the letter to my friend and the cheques to my office address to reach me on Monday.

In this connection I hope you remember your request and proposal to me on the Railway Station at Bangalore, during my last visit to your City. In terms of these arrangements only I have been introducing this friend and hope to do so in other cases also. He does not know you yet but only on my word he is sending the money. If he is pleased he may increase his investment in your business as I propose to do it also. Meanwhile I expect to receive your cheque for me also in my wife's favour as usual.

I have not advised my friend of the contents of your letter of 3rd. Kindly treat this letter as strictly confidential and do fix up matters as advised by him. I will explain more in person soon. If my friend meets you earlier don't give him higher hopes than you will be able to fulfil.

Please destroy this letter after perusal.

Yours very sincerely,
(Sd.) S. N. SARMA.

NOVELTY GOODS STORES.

5-A, Brigade Road,
Bangalore,
22nd June 1944.

Dear Mr. Gopala Rao,

I must tell you of a very curious incident that crops up every time and think of the investments made with you by my sisters. I am in the habit of consulting KORAN on any matter I undertake and every time I have done so in connection with you— the relevant passage is auspicious. The last time I did so a few days ago the passage read ' WE HAVE SENT PROTECTORS FOR YOU TO HELP AND INCREASE YOUR FINANCE TRUST THEM' surely this is more than a coincidence. Everytime something good is revealed about you but in two or three other matters which turned out to my disadvantage the relevant passages gave me plain warning.

I am in business for the past 31 years and my experience of men and affairs have been varied. I have not come across any other man who can pay the fancy rates of interest you are paying and yet remain prosperous himself. Of course there have been adventures who have paid high rates for habit and swallowed the principal in 2 or 3 years. In your case there are at least the people in this town who have made from you in the past 15 or 16 years at least the ten times of the amount of their capital. This is surely social service that you are doing and not a profitable business which should result entirely to your advantage. I wish you the best of luck.

Yours sincerely.
(Sd.) M. H. RAZA.

|| ಶ್ರೀ ||

ಸುಪ್ರಸಿದ್ಧ ವರ್ತಕರೂ, ಉದಾರ ದಾನಶೀಲರೂ ಆದ,
ಧರ್ಮರತ್ನಾಕರ
ಶ್ರೀಮಾನ್ ಬಿ. ಎಲ್. ಗೋಪಾಲರಾಯರ
ಸನ್ನಿಧಿಯಲ್ಲಿ
ಮಂಡ್ಯ ಮಹಾಜನರು ಒಪ್ಪಿಸಿದ
ಅಭಿನಂದನ ಪತ್ರಿಕೆ.

ಮಾನ್ಯ ಮಹನೀಯರೇ,

ಈ ದಿನ ತಮ್ಮನ್ನು ಇಲ್ಲಿಗೆ ಆಹ್ವಾನಿಸಿ ಗೌರವಿಸಿ ನಮ್ಮ ವಿಶ್ವಾಸ ಕೃತಜ್ಞತೆಗಳನ್ನು ತೋರಿಸುವ ಸುಯೋಗವು ನಮಗೆ ಒದಗಿದುದಕ್ಕಾಗಿ ಅತ್ಯಂತಾನಂದ ಪಡುತ್ತೇವೆ. ನಮ್ಮ ಪ್ರಾರ್ಥನೆಗೆ ಮನ್ನಣೆಕೊಟ್ಟು ತಾವು ಇಲ್ಲಿಗೆ ದಯಮಾಡಿಸಿದುದಕ್ಕಾಗಿ ನಾವು ತುಂಬ ಕೃತಜ್ಞರಾಗಿರುತ್ತೇವೆ.

ತಾವು ತೆರೆಯ ಮರೆಯಲ್ಲಿದ್ದು ನಿಶ್ಶಬ್ದವಾಗಿ ಸಲ್ಲಿಸುತ್ತಿರುವ ಜನಸೇವೆಯೂ ತಮ್ಮ ನಿರಾಡಂಬರ ಜೀವನವೂ, ನಿರಹಂಕಾರ ಪ್ರವೃತ್ತಿಯೂ ವರ್ತಕತನದಲ್ಲಿ ತಾವು ಪರಿಪಾಲಿಸುತ್ತಿರುವ ಸತ್ಯ, ಧರ್ಮಗಳು, ತಮಗೆ ವಿಶಿಷ್ಟ ಹಿರಿಮೆಯನ್ನು ಗಳಿಸಿವೆ.

ತಾವು ಬಡತನದಲ್ಲಿ ಜನ್ಮವೆತ್ತಿದರೂ ತಮ್ಮ ಶೀಲ ಸ್ವಭಾವಗಳಿಂದಲೂ ಸತ್ಯನಿಷ್ಟತೆಯಿಂದಲೂ ದೈವಭಕ್ತಿ ಸದಾಚಾರ ಸಂಪನ್ನತೆ ಔದಾರ್ಯ, ವಿನಯಗುಣಗಳಿಂದಲೂ ಭಗವಂತನ ಕೃಪೆಗೆ ಪಾತ್ರರಾಗಿ, ಪ್ರಭುಗಳ ವಿಶ್ವಾಸವನ್ನೂ ಪ್ರಜೆಗಳ ಪ್ರೀತ್ಯಾದರ ಮನ್ನಣೆಗಳನ್ನೂ ಪಡೆದಿರುತ್ತೀರಿ. "ದೈವ ದೊಲ್ಮೆಯಿರಲು ಕಾಲಾನುಕಾಲಕ್ಕೆ ಪೇಳ್ ಬಡವಂ ಬಲ್ಲಿದನಾಗನೆ ಹರ ಹರ ಶ್ರೀ ಚನ್ನ ಸೋಮೇಶ್ವರ" ಎಂಬ ಕವಿ ವಾಕ್ಯವು ತಮ್ಮಲ್ಲಿ ಸಾರ್ಥಕ್ಯ ಹೊಂದಿದೆ. ದೈವದ ಒಲುಮೆಯಿಂದ ಹಲವು ಮಂದಿ ಬಡವರು ಬಲ್ಲಿದರಾದವರುಂಟು. ಆದರೆ ಬಹು ಜನರು ಆ ಬಡತನದ ಬೇನೆಯನ್ನು ಮರೆತು, ಭಾಗ್ಯದ ಭೋಗೋಪ ಭೋಗಗಳಿಗೆ ಮಾರು ಹೋಗಿ ಕರ್ತವ್ಯ ಕರ್ಮವಿಮುಖರಾಗಿ ಜೀವನದ ಕೆಳ ಮಟ್ಟಕ್ಕಿಳಿಯುತ್ತಿರುವದು, ಅಲ್ಲಲ್ಲಿ ಕಂಡು ಬರುತ್ತಿರುವ ದೃಶ್ಯವಾಗಿದೆ. ಮತ್ತೆ ಕೆಲವು "ಧನವಂ ಕಂಡ ದರಿದ್ರರು" ಧನ ಪಿಶಾಚಿಗಳಾಗಿ ಲೋಭಗ್ರಸ್ತರಾಗಿ, ಆ ಧನವನ್ನು ಬಚ್ಚಿಟ್ಟು ಅದರ ರಕ್ಷಣೆ ವರ್ಧನೆಯಲ್ಲಿಯೇ ಆಯುಷ್ಯವನ್ನು ಸವೆಸಿ ಜೀವನವನ್ನು ಮುಗಿಸುತ್ತಾರೆ. ತಾವು ಹಾಗೆ ಮಾಡದೆ ಕೊಟ್ಟಿದ್ದು ತನಗೆ ಬಚ್ಚಿಟ್ಟಿದ್ದು ಪರರಿಗೆ; ಕೊಟ್ಟು ತಾ ಕೆಟ್ಟೆನೆನಬೇಡ ಅದು ಸಗ್ಗಕ್ಕೆ ಕಟ್ಟಿದಾ ಬುತ್ತಿ ಸರ್ವಜ್ಞ"—ಎಂಬ ಸರ್ವಜ್ಞ ಕವಿಯ ಅಮೃತ ನುಡಿಗಳನ್ನು ಮನನ ಮಾಡಿ ಬಡವರ ಬೇನೆಗಳನ್ನು ಹೋಗಲಾಡಿಸಲು, ವೈದ್ಯಾಲಯಗಳನ್ನು ಬಡವರಿಗೂ, ವೃದ್ಧರಿಗೂ, ಅನಾಥ ಅಂಗ ಹೀನರಿಗೂ ಆಶ್ರಯ ವೀಯುವ ವಸತಿ ಗೃಹಗಳನ್ನೂ, ವಿದ್ಯಾರ್ಥಿ ಮಂದಿರಗಳನ್ನೂ, ಶಿಶು ಸಂರಕ್ಷಣಾಲಯಗಳನ್ನೂ ನಿರ್ಮಿಸಲು ಉದಾರ ಸಹಾಯ ನೀಡಿ ಪುಣ್ಯ ಪುನೀತರಾಗಿರುತ್ತೀರಿ. "ಜನ ಸೇವೆಯೇ ಜನಾರ್ದನ ಸೇವೆ" ಎಂದು ಅದೇ ಆತ್ಮಕಲ್ಯಾಣದ ತಳಹದಿ ಎಂದು ನೀವು ದೃಢವಾಗಿ ನಂಬಿ ತನುಮನ ಧನಗಳಿಂದ ಬಡ ಬಾಂಧವರ ಸೇವಾ ಕಾರ್ಯವನ್ನು ಉಜ್ವಲ ರೀತಿಯಿಂದ ನಡೆಸುತ್ತಾ ದಾನ ಕಾರ್ಯದಲ್ಲಿ ಮಾರ್ಗದರ್ಶಕರಾಗಿರುತ್ತೀರಿ.

ಶ್ರೀ ಪರಮೇಶ್ವರನು ತನ್ನ ಪವಿತ್ರವಾದ ಉದ್ದೇಶ್ಯ ಸಾಧನೆಗಾಗಿ ತಮ್ಮನ್ನು ಆರಿಸಿಕ್ಕೊಂಡಂತೆ ಭಾಸವಾಗುತ್ತದೆ. ಆ ಪರಮಾತ್ಮನ ವರ ಪುತ್ರರಂತಿರುವ ತಾವು ಆ ಜಗತ್ ಪಿತಾಮಹನ ಘನೋದ್ದೇಶಗಳನ್ನು ಯಶಸ್ವಿಯಾಗಿ ನೆರವೇರಿಸಿ ಆತನ ಕೃಪಾಶೀರ್ವಾದಗಳಿಗೆ ಪಾತ್ರರಾಗಿರುತ್ತೀರಿ. ನಾವು ತಮ್ಮ ಮಹದುಪಕಾರಗಳಿಗೆ ಪ್ರತಿಯಾಗಿ ಏನನ್ನು ತಾನೆ ಕೊಡಲು ಸಮರ್ಥರು. ಶ್ರೀ ಪರಮಾತ್ಮನೇ ತಮ್ಮನ್ನು ಆಶೀರ್ವದಿಸಿ ತಮ್ಮ ಎಲ್ಲಾ ಆಕಾಂಕ್ಷೆಗಳನ್ನು ನೆರವೇರಿಸಿ ಕೊಡುವುದರಲ್ಲಿ ಯಾವ ಸಂದೇಹವೂ ಇಲ್ಲ.

ತಮ್ಮ ಕೊಡುಗೈಯ್ಯ ಔದಾರ್ಯವು ಎಲ್ಲೆ ಮೀರಿದುದಾಗಿದೆ. ಲಕ್ಷಾಂತರ ದ್ರವ್ಯವನ್ನು ತಾವು ಉದಾರವಾಗಿ ದಾನ ಮಾಡಿ ಅಪಾರವಾದ ಕೀರ್ತಿಯನ್ನು ಗಳಿಸಿರುತ್ತೀರಿ. ಎಷ್ಟೆಷ್ಟು ತಮಗೆ ಧನ ಪ್ರಾಪ್ತಿಯಾಗುತ್ತಿರುವದೋ ಅಷ್ಟಷ್ಟು ದಾನ ಧರ್ಮ ಪರೋಪಕಾರ ಕೃತಿಗಳನ್ನು ಹೆಚ್ಚಿಸುತ್ತಿರುತ್ತೀರಿ. "ಇತ್ತೊಡೆ ಬರ್ಪುದೆ ಬಡತನಂ, ಕುಡದಿರ್ದೊಡೆ ಲಕ್ಷ್ಮಿ ನಿಲ್ಲುವದೆ" ಎಂಬ ಮಹಾ ಕವಿ ವಾಕ್ಯದಂತೆ ತಾವು ಧರ್ಮ ಮಾಡಿದಷ್ಟು ನೀರನ್ನು ನಿತ್ಯವು ಉಪಯೋಗಿಸಿದರೂ ಜಲ ಮಟ್ಟಕ್ಕೆ ಸರಿಯಾಗಿ ನಿಲ್ಲುವ ಭಾವಿಯ ನೀರಿನಂತೆ ತಮ್ಮ ಐಶ್ವರ್ಯವು ವೃದ್ಧಿಯಾಗುತ್ತಲೇ ಇರುವುದು, ಸ್ವಾಭಾವಿಕವಾಗಿದೆ. ತಮ್ಮ ತ್ಯಾಗ ಬುದ್ಧಿಯು ಅನ್ಯಾದೃಶವಾಗಿದೆ. ತಮ್ಮಲ್ಲಿರುವ ದೈವಭಕ್ತಿಯು ಅನುಕರಣೀಯವಾಗಿದೆ. ತಮ್ಮ ಸರಳ ಜೀವನವು ಮಾರ್ಗದರ್ಶಕವಾಗಿದೆ.

ಈ ತಮ್ಮ ಉದಾತ್ತಗುಣಗಳಿಗೂ ಪ್ರತಿಭೆಗೂ ಮೆಚ್ಚಿ ಆಳುವ ಮಹಾಸ್ವಾಮಿಯವರಾದ ಶ್ರೀ ಜಯ ಚಾಮರಾಜ ಒಡೆಯರ್ ಬಹದೂರ್., ಜಿ.ಸಿ.ಬಿ, ಜಿ.ಸಿ.ಎಸ್.ಐ., ಮಹಾಪ್ರಭುಗಳವರು ತಮಗೆ "ಧರ್ಮರತ್ನಾಕರ" ಎಂಬ ಘನ ಪ್ರಶಸ್ತಿಯನ್ನಿತ್ತು ಅನುಗ್ರಹಿಸಿದುದಕ್ಕಾಗಿ ನಾಡಿನ ಮಹಾಜನರು ಆನಂದ ತುಂದಿಲರಾಗಿರುತ್ತಾರೆ.

ದಯಾಮಯನಾದ ಭಗವಂತನು, ತಮ್ಮ ಕುಟುಂಬ ವರ್ಗದವರಿಗೂ ಇತೋಪ್ಯತಿಶಯವಾದ ಸಕಲ ಸನ್ಮಂಗಳಗಳನ್ನು ಇತ್ತು ಸದಾ ಸಂರಕ್ಷಿಸಲೆಂದು ಅನನ್ಯ ಭಕ್ತಿ ಭಾವದಿಂದ ಪ್ರಾರ್ಥಿಸುತ್ತಿರುತ್ತೇವೆ.

ಮಾನನೀಯ ಸಚಿವರಾದ, ದಿವಾನ್ ಬಹದೂರ್ ಡಾ|| ಟಿ. ಸಿ. ಎಂ. ರಾಯನ್., ಎಂ.ಡಿ., ಅವರ ಘನ ಅಧ್ಯಕ್ಷತೆಯಲ್ಲಿ ತಮ್ಮನ್ನು ಈ ದಿನ ಗೌರವಿಸಿ ಅಭಿನಂದಿಸುವ ಸುಯೋಗವನ್ನು ನಮಗೆ ಇಂದು, ಒದಗಿಸಿಕೊಟ್ಟುದಕ್ಕಾಗಿ ತಮ್ಮನ್ನು ಮತ್ತೊಮ್ಮೆ ವಂದಿಸುವ,

ಮಂಡ್ಯ.
ತಾ|| 29ನೆಯ ನವೆಂಬರ್ 1946.

ತಮ್ಮ ಹಿತೈಷಿಗಳಾದ,
ಮಂಡ್ಯ ಮಹಾಜನಗಳು.

ಸ್ವಾಗತ ಮಂಡಲಿಯವರು

ಕೆ. ಚಿಕ್ಕಲಿಂಗಯ್ಯ
(ಸ್ವಾಗತ ಸಮಿತಿಯ ಅಧ್ಯಕ್ಷರು).

ಎಸ್. ಜಿನ್ನಪ್ಪ,
(ಸ್ವಾಗತ ಸಮಿತಿಯ ಉಪಾಧ್ಯಕ್ಷರು).

ಎಂ. ವಿ. ಅನಂತರಾಮ ಭಟ್ಟ
(ಕಾರ್ಯದರ್ಶಿಗಳು).

ಎ. ಚನ್ನಬಸಪ್ಪ.
ಜಿ. ಆರ್. ರಾಮಯ್ಯ.
ಹೆಚ್. ಹೊನ್ನಯ್ಯ.
ಪಿ. ಶ್ರೀನಿವಾಸಯ್ಯ.
ಕೆ. ಎನ್. ಗುಂಡೂರಾವ್.
ಜಿ. ದೇವಯ್ಯ.
ಕೆ. ವಿ. ರಾಮಚಂದ್ರಸೆಟ್ಟಿ.
ಜಿ. ಕ್ರಿಷ್ಣಪ್ಪ.
ಕೆ. ಅನಂತಸೆಟ್ಟಿ.

Telegrams : *Pahilwan.* *Telephones* : 27970
33675.

KISHENCHAND CHELLARAM,

Importers and Exporters, Manufacturers, Silk, Cotton and General Merchants.

Personal.

GUZDAR HOUSE,
DHOBI TALAO, KALBADEVI,
P. O. BOX 2145, BOMBAY 2.

MR. P. H. KRISHNA RAO,
BOMBAY.

DEAR SIR,

This is to confirm our conversation of today about the Silk Yarn from Bangalore.

Please note that we have already arranged the letter of credit for Rs. 2,50,000 to be opened in favour of Messrs. B. N. Gopala Rao of Malleswaram, Bangalore. The said letter of credit has been opened with the Mercantile Bank of India, Ltd., whose agents in Bangalore are Messrs. Canara Bank, Ltd., Bangalore. I shall be grateful if you will kindly inform Messrs. Gopala Rao on the subject.

We have divided the above letter of credit in five different names whose proprietors are ourselves. The names of these are given below and Rs. 50,000 of L/C has been opened in the name of each concern mentioned below. We hope, Messrs. Gopala Rao will kindly effect the shipments separately against each letter of credit and draw the relative amounts from the Bank.

We have also specified in the said letter of credits that the Insurance of the Railway transport will be effected by us and we shall be grateful if you will kindly instruct Messrs. Gopala Rao to advise a day earlier before railing, the total amount of goods which he will be railing against Insurance Cover over here.

Thanking you,
Yours faithfully,
(Sd.) K. SHEWAKRAM.

Names and address attached.

REGISTERED.

THE MERCANTILE BANK OF INDIA, LIMITED.

Bombay, 24th November 1945.

The Manager,
Canara Bank, Ltd.,
Bangalore.

DEAR SIRS,

We request you to advise Messrs. B. N. Gopala Rao of Malleswaram, Bangalore, that we have opened our irrevocable without recourse credit in their favour for account of Messrs. S. Kishinchand for full invoice cost of merchandise for a sum or sums not exceeding a total of Rupees Fifty thousand only available by their drafts on *Messrs. S. Kishinchand* at sight to be accompanied by full R/Receipts and Invoices—Pure Silk Yarn to be railed to Bombay on C. & F. terms. Partial consignments allowed.

Railway receipts and invoices must be drawn or endorsed to the Order of the Mercantile Bank of India, Ltd., showing consignment to Bombay. Insurance covered by the openers in Bombay.

All drafts drawn under this credit should bear the clause "Drawn under the Mercantile Bank of India, Ltd.'s letter of credit Number 88/3343, dated 24th November 1945."

We engage with the beneficiary that all drafts drawn under and in compliance with the terms of this advice will be duly honoured on delivery of drafts and documents as specified if presented at your office on or before 30th June 1946.

Yours faithfully,
(Sd.) ....,
Manager.

(Sd.) ....,
Accountant.

REGISTERED.

THE MERCANTILE BANK OF INDIA, LIMITED.

Bombay, 24th November 1945.

The Manager,
Canara Bank, Ltd.,
Bangalore.

Dear Sirs,

We request you to advise Messrs. B. N. Gopala Rao of Malleswaram, Bangalore, that we have opened our irrevocable without recourse credit in their favour for account of Messrs. Lokumal Bros., Bombay, full invoice cost of merchandise for a sum or sums not exceeding a total of Rupees Fifty thousand only available by their drafts on *Messrs. Lokumal, Bros., Bombay*, at sight to be accompanied by full R/Receipts and Invoices evidencing consignment of pure silk yarn to be railed to Bombay on C.I.F. basis. Partial consignments allowed.

Full Railway Receipts and Invoices must be drawn or endorsed to the order of the Mercantile Bank of India, Ltd., showing consignment to Bombay.

Insurance on the goods covered by the Openers in Bombay.

All drafts under this credit should bear the clause " Drawn under the Mercantile Bank of India, Ltd.'s Letter of Credit Number 88/3344, dated Bombay, 24th November."

We engage with the beneficiary that all drafts drawn under and in compliance with the terms of this advice will be duly honoured on delivery of draft/s and documents as specified if presented at your office on or before 30th June 1946.

Yours faithfully,
(Sd.) ....,
Manager.

(Sd.) ....,
Accountant.

REGISTERED.

THE MERCANTILE BANK OF INDIA, LIMITED..

Bombay, 24th November 1945.

The Manager,
Canara Bank, Limited,
Bangalore.

DEAR SIRS,

We request you to advise Messrs. B. N. Gopala Rao of Malleswaram, Bangalore, that we have opened our irrevocable without recourse credit in their favour for account of Messrs. Tahilram Bros., for full invoice cost of merchandise for a sum or sums not exceeding a total of Rupees fifty thousand only available by their drafts on *Messrs. Tahilram Bros.*, at sight to be accompanied by full R/Receipts and Invoices evidencing consignment of Pure Silk Yarn on C. & F. terms to be railed to Bombay. Partial shipments allowed.

Full Railway Receipts and Invoices must be drawn or endorsed to the orders of the Mercantile Bank of India, Ltd., showing consignment to Bombay.

Insurance covered by the Openers in Bombay.

All drafts drawn under this credit should bear the clause " Drawn under the Mercantile Bank of India, Ltd.'s Credit Number 88/3345, dated Bombay 24th November 1945."

We engage with the beneficiary that all drafts drawn under and in compliance with the terms of this advice will be duly honoured on delivery of draft/s and documents as specified if presented at your office on or before 30th June 1946.

Yours faithfully,
(Sd.)..............,
Manager.

(Sd.) ....,
Accountant.

THE MERCANTILE BANK OF INDIA, LTD.

Bombay, 24th November 1945.

The Manager,
Canara Bank, Ltd.,
Bangalore.

Dear Sirs,

We request you to advise Messrs. B. N. Gopala Rao of Malleswaram, Bangalore, that we have opened our irrevocable without recourse credit in their favour for account of Messrs. Kishinchand Chellaram for full invoice cost of Merchandise for a sum or sums not exceeding a total of Rupees fifty thousand only available by their drafts on *Messrs. Kishinchand Chellaram* at sight to be accompanied by full R/Receipts and invoices evidencing consignment of Pure Silk Yarn on C. & F. terms to be railed to Bombay. Partial shipments allowed.

Railway Receipts and Invoices must be drawn or endorsed to the order of The Mercantile Bank of India, Ltd., showing consignment to Bombay.

Insurance covered by the Openers in Bombay.

All drafts drawn under this credit should bear the clause " Drawn under the Mercantile Bank of India, Ltd.'s Letter of Credit Number 88/3341, dated Bombay, 24th November 1945."

We engage with the beneficiary that all drafts drawn under and in compliance with the terms of this advice will be duly honoured on delivery of draft/s and documents as specified if presented at your office on or before 30th June 1946.

Yours faithfully,
(Sd.) ....,
Manager.

(Sd.) ....,
Accountant.

REGISTERED

THE MERCANTILE BANK OF INDIA, LIMITED.

Bombay, 24th November 1945.

The Manager,
Canara Bank, Ltd.,
Bangalore.

DEAR SIRS,

We request you to advise Messrs. B. N. Gopala Rao of Malleswaram, Bangalore, that we have opened our irrevocable without recourse credit in their favour for account of Messrs. Chellsons Limited for full invoice cost of Merchandise for a sum or sums not exceeding a total of Rupees fifty thousand only available by their drafts on *Messrs. Chellsons Limited*, at sight to be accompanied by full R/Receipts and Invoices evidencing consignment of Pure Silk Yarn on C. .& F. terms to be railed to Bombay. Partial shipments allowed.

Railway receipts and invoices must be drawn or endorsed to the order of the Mercantile Bank of India, Ltd., showing consignment to Bombay.

Insurance covered by the openers in Bombay.

All drafts drawn under this credit should bear the clause " Drawn under The Mercantile Bank of India's Letter of Credit Number 88—3342, dated Bombay, 24th November 1945.

We engage with the beneficiary that all drafts drawn under and in compliance with the terms of this advice will be duly honoured on delivery of drafts and documents as specified if presented at your office on or before 30th June 1946.

Yours faithfully,
(Sd.) ....
Manager.

(Sd.) ....
Accountant.

B. N. GOPALA RAO.

2100, LINK ROAD, MALLESWARAM P.O.,
Bangalore, dated 1st December 1945.

Messrs. Kishenchand Chellaram,
Importers and Exporters,
Guzdar House, Dhobi Talao,
Kalbadevi, P. O. Box 2145,
Bombay-2.

DEAR SIRS,

I thank you for your letter of 24th ultimo addressed to my nephew Mr. P. H. Krishna Rao which has been passed on to me in original, for attention. I appreciate the spirit of complete confidence with which you have entrusted the business to me. I am not given to speak much. I prefer to reciprocate your trust in action. Time will show as in the case of all my other business associates, the kind of integrity which characterises my dealings.

I note that you have arranged a cash credit of Rs. 2,50,000 only with the Mercantile Bank of India, Ltd., through their Bangalore Agents, the Canara Bank, Ltd., I note also the five firms in whose names invoices are to be sent up to a maximum of Rs. 50,000 each. I have made arrangements to keep my hand on the pulse of the silk yarn business and to obtain ruling rates from day to day. I have gathered the necessary contacts and set up an Office to look after this Department of mine. I am arranging to obtain an export permit to Bombay in my own name which will facilitate matters. I shall write to you again in a few days. I assure that consignments will be regularly sent once the license is obtained. I realise the extensive possibilities of the new line that you have so kindly opened up to me. I believe that the scale and the quality of the business that I will build up, God willing, for our mutual benefit, will be the best manner in which I could express my appreciation of your confidence in me.

Assuring you of best services at all times.

Yours faithfully,
(Sd.) B. N. GOPALA RAO.

Tuesday, 4th December 1945.

My Dear Krishna Rao,

I am making arrangements to commence the silk business you have introduced to me. I am trying to see if it cannot be done without obtaining a formal permit by getting sellers to book consignments to the Bank in their own names.

I met Mr. Navaratna Rama Rao as you suggested. He is of opinion that the control is going very soon. He suggests that it would be a good thing to open a Branch Office in Bombay. It would then appear easier to obtain permits to increase the quotas on the ground that the purchasers are Mysoreans. It would also help in keeping touch with the Bombay Market. But perhaps it would take some time before an office in Bombay could be of real use. We have first to familiarise ourselves with business conditions here, *e.g.*, samples of different varieties—supply sources, ruling rates and so on.

Meanwhile, I am meeting Control Officers here to find out if a permit is absolutely necessary. I will write again after making definite arrangements.

With best wishes,

Yours sincerely,
(Sd.) B. N. GOPALA RAO.

B. N. GOPALA RAO.

2100, Link Road, Malleswaram,
Bangalore City.

Dated 6th January 1946.

Messrs. Kishenchand Chellaram,
Guzdar House, Dhobi Talao,
Kalbadevi, Post Box 2145,
Bombay-2.

Gentlemen,

I instructed the Associated Finance and Investment Corporation (of which I am a Director) to send you a copy of the Prospectus of the new cotton company they are promoting. They are bringing into the market a good variety of long staple cotton and have arranged for the importation of new machinery from England as early as present circumstances permit. Meanwhile they will be running the Ginning and Pressing Factory which they will take over from Government as soon as the commencement certificate is taken this month.

I request you to examine the project and will be glad if you or your friends take an interest in it. Mr. K. Krishna Iyer, the Textile Engineer of the Company is visiting Bombay and will call on you. I request you to be kind enough to accord him your friendly assistance and oblige.

With best wishes and wishing you a happy and prosperous New Year.

Yours sincerely,
(Sd.) B. N. GOPALA RAO.

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